



Report

Promoting shared prosperity in the European Semester: taking stock of the 2020 cycle and launching the 2021 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 healthcare services and promote social justice. They are engaged in all facets of social inclusion, from the integration of people with a migrant background, to work with disadvantaged young people, to elderly care.

Mission

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

Vision

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

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Table of contents

Table of contents	3
POLICY SNAPSHOT	4
About this publication	5
Why this publication	7
Assessing the 2020 Semester	10
2020 Autumn Package	12
2020 Winter Package	15
2020 Spring Package	20
Civil dialogue in the Semester	27
Looking forward to the 2021 Semester	29
Promote social investment	30
Promote quality employment	33
Tackle child poverty	36
Close the gender gap	38
Prepare for demographic change	40
Conclusion	44
CONCLUSIONS AT A GLANCE	47

POLICY SNAPSHOT



This paper takes stock of the evolution of the 2020 Semester cycle, the impact of COVID-19 on the process and sets our priorities for the 2021 Semester and the national Recovery and Resilience Plans.



This paper is primarily addressed to the European Commission units working on the European Semester, the Commission Recovery and Resilience Task Force and members of the European Parliament EMPL committee.



This paper assesses if the Semester sufficiently balances economic and social priorities, if the European Pillar of Social Rights is adequately reflected, and outlines our priorities for the 2021 Semester and COVID-19 recovery.



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



Eurodiaconia recognises that COVID-19 reshaped the 2020 Semester and that its primary focus became the economic recovery. As we begin the 2021 Semester and as national governments formulate their recovery plans, the focus on economic recovery, green and digital transitions must pay due attention to people who are struggling the most and who have the most to lose as our societies adapt.

About this publication



Eurodiaconia is a network of 52 organisations in 32 European countries providing health and social services and working for social justice. Founded in the Christian tradition, we work to ensure that our societies provide opportunities for all people to live in dignity and to reach their full potential. Our members, representing more than 30,000 social and healthcare providers, have strong and long-standing expertise in providing services to the most vulnerable in Europe.

Eurodiaconia's members have been at the forefront in cushioning the impact of COVID-19 on some of the most vulnerable people in our society. Furthermore, through their work, they are already contributing to the implementation of the European Pillar of Social Rights (EPSR). Their expertise and experience place them in a position to identify the most significant challenges facing society and to analyse the degree to which the EPSR is being implemented in the regions and countries in which they operate.

COVID-19 dramatically altered the landscape around us and required responses which could not have been foreseen when the priorities for the 2020 Semester were being conceived.

Thanks to the input of our members, Eurodiaconia has been deeply engaged in the 2020 European Semester cycle and has published several reports in the last twelve months. These reports have recognised that COVID-19 dramatically altered the landscape around us and required responses which could not have been foreseen when the priorities for the 2020 Semester were being conceived. Nonetheless, they also underline the necessity of allocating sufficient attention to the needs of those people who were suffering poverty and social exclusion before the outbreak of Coronavirus and who are now - thanks to the repercussions of the pandemic and the subsequent economic shock - at increased risk of being

left behind. A decade's worth of work towards repairing the damage done by the last economic crisis has been undone in only a few months. We must not now follow the same deeply damaging path as was taken ten years ago.

In line with our previous publications, this paper aims to look back over the 2020 Semester cycle and chart its developments during the past twelve months, especially in response to the COVID-19 pandemic, as well as looking forward to the 2021 Semester and setting out our priorities for the coming year. Our ambition - to see continual progress towards the full implementation of the EPSR - requires a Semester cycle that does not relegate social objectives beneath economic and financial, and our recommendations, based on the experience of our members, seek to encourage this evolution.

Why this publication



The European Semester is an annual cycle of coordination of all EU member state national economic policies. It allows EU countries to discuss their economic and budgetary plans and monitor progress at specific times throughout the year. Eurodiaconia has been closely monitoring the European Semester process since its inception. As a network and together with other civil society organisations, we have consistently called for the European Commission to develop the social dimension of the Semester, as macro-economic recommendations should not be made without taking into account the potential impact on the well-being of citizens; particularly on the accessibility, affordability, availability and quality of social and healthcare services and the prevalence of poverty and social exclusion among vulnerable groups.

We warmly welcomed the proclamation of the European Pillar of Social Rights (EPSR) in November 2017 which created a framework of social rights and principles, building upon existing European and international human rights standards which aimed to bring the EU towards a social Triple A status. To date, the Semester has been the most important legislative tool available to encourage, support and pressure member state governments to work to make the principles enshrined in the EPSR into a reality in the EU.

Despite often being touted as the EU's "social compass", the EPSR is not yet sufficiently central to the Semester and progress towards full implementation has stalled in recent years.

Nevertheless, despite often being touted as the EU's "social compass", the EPSR is not yet sufficiently central to the Semester and progress towards full implementation of the Pillar has stalled in recent years. The 2021 publication of the Action Plan on Implementing the EPSR will be an important moment in order to assess the degree to which the full implementation of the principles of the Pillar - as well as the achievement

of many of the UN Sustainable Development Goals (SDGs) - will truly be the “north star” of the European Commission now and into the next few years as the Recovery and Resilience Facility begins to roll out.

Similar to the EPSR, the Finnish Presidency’s Council Conclusions on the economy of wellbeing were an important step forward in recognising the need to develop a welfare economy which contributes to a socially, economically, environmentally sustainable Europe.¹ Investment in public services, and particularly social services, should not be viewed negatively. We know, from our diaconal work at the grassroots level, the importance of promoting accessible social and healthcare services as a tool for reducing inequalities, creating or strengthening social ties and for enhancing participation.

Nevertheless, despite these strong steps towards recognising the importance of taking a holistic view of macro-economic policy-making, the Semester does not yet fully reflect this goal. Recommendations do not always reflect the reality on the ground as seen by our members, and too often the recommendations related to social outcomes are the bottom of the list of implementation priorities for member states. The lack of any viable system for penalising those countries who do not make sufficient progress continues to undermine the process.

There is, however, potential for this to change. The redesign of the 2021 Semester to encompass the Recovery and Resilience Facility will require, for the first time, the European Commission to sign off member state reform and investment plans before access to European funding is given. However, how firm will the Commission stand on ensuring that social objectives are given equal priority with other reforms? The Green Deal, Europe’s new growth strategy, must similarly pay due attention to wider questions of inequalities, poverty and social sustainability in its ambition to

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



tackle climate and environmental challenges. The Recovery and Resilience Facility, with its focus on the achievement of the objectives of the Green Deal, must not lose sight of the social impact of the crisis to which it intends to respond, as well as the implications of many of the climate and environmental reforms that the Green Deal promotes.

Whether through the Semester, the Green Deal or the Recovery and Resilience Facility, economic stability and productivity must be balanced with the wellbeing of all EU citizens. One cannot be pursued at the expense of the other if we wish to build a truly sustainable future.

As such, in this publication we will reflect on the 2021 Semester in the context of the Recovery and Resilience Facility and the Green Deal and identify Eurodiaconia's wider priorities for the recovery plans member states will submit in the coming months.

Assessing the 2020 Semester



COVID-19 has reshaped the world around us. Almost overnight, our societies and economies shut down and new ways of living and working had to be found. The full impact of the pandemic will not be visible for many months and possibly years to come but its immediate repercussions suggest that we will never return to the “normality” of life as it was in 2019.

For better or worse, changes that have been enforced, suggested or freely adopted in 2020 have altered our normal way of living and working, quite possibly on a permanent basis. Social distancing, working from home, digitalisation of services and education, travel limitations; the “new normal” has and will continue to have huge implications for the economy and society.

After years of cuts in social investment, COVID-19 has shone a bright light on the implications of under-investment in services and social protection.

It is no surprise, therefore, that in response to the ever-worsening situation in Europe in the early weeks and months of the COVID-19 pandemic, the Semester also underwent some changes. Whilst the Semester has continually evolved since its birth a decade ago, the speed and extent of the alterations have been marked. The Autumn and Winter Packages of the 2020 Semester were published in the usual manner and with much the same focus as has been seen previously but the Spring Package, published in May 2020, contained country-specific recommendations which were a stark departure from those of previous years. The activation of the general escape clause of the Stability and Growth Pact in March to give member states full flexibility to protect their economies and support their health systems heralded the removal of the standard country-specific recommendations calling for budget deficits to be reduced and spending on various sectors to be curtailed. Instead, the 2020 recommendations accentuated the statement made by the Council on the activation of the general escape clause: that national governments must

do whatever is necessary to tackle and mitigate the impact of the pandemic and restart economic growth.² The divergence from the strict spending and deficit rules was accompanied by a call for investment in health systems, education and training, and projects working towards the objectives of the Green Deal.

After years of cuts in social investment, COVID-19 has shone a bright light on the implications of under-investment in services and social protection. The resilience of health systems, the ability of long-term care services to manage the severe challenges the pandemic placed upon it, social protection extended - or not - to some of the most vulnerable in our societies became extremely apparent. The sudden visibility of those people working in precarious jobs who were at the forefront of keeping our societies going during lockdown, care-workers dedicating themselves to the safety and wellbeing of the elderly whilst receiving the bare minimum in wages, or Roma communities expected to “lock-down” without access to water or adequate sanitation: none of these situations were born as a result of the pandemic but have been the repercussions of policy choices over the last decade, and longer. Workers employed in precarious occupations, care staff underpaid and Roma communities living in poverty and without access to even the most basic of services were all issues that existed long before 2020. However, the full impact of the political choices that have been made and the unacceptable consequences they have had for the people living and working around us is unmistakable.

Within the nine months of the 2020 Semester, there has been a welcome u-turn on the matter of social investment and Eurodiaconia hopes that this will be maintained into the future. Whilst the 2020 Annual Sustainable Growth Strategy, published in December 2019, emphasised the need for structural investments in environmentally-friendly technologies in order to

² <https://www.consilium.europa.eu/en/press/press-releases/2020/03/23/statement-of-eu-ministers-of-finance-on-the-stability-and-growth-pact-in-light-of-the-covid-19-crisis/>

meet the ambition of the Green Deal, there was very little focus on the need to invest in people-centred services, such as health, long-term care or other social services. By the time of the publication of the spring package only six months later, the move to include investments in public health and employment services as a priority area had been made. This change must be made permanently. 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. The Green Deal, as the EU's current growth strategy, must expand away from its current sectoral and territorial approach of a just transition and towards full recognition of the benefits of social investment and the encouragement of such spending as a way to ensure the empowerment and autonomy of all people in our societies as well as encouraging economic growth.

2020 Autumn Package

The recognition, at the start of the 2020 Annual Sustainable Growth Strategy (ASGS), that *economic growth is not an end in itself. An economy must work for the people and the planet* has been a key argument of Eurodiaconia's throughout our engagement on the Semester and we were extremely pleased to see it reflected so centrally in this important document.³

The approach of the 2020 Annual Sustainable Growth Strategy to consider four principles of fairness, productivity, macro-economic stability and environmental sustainability was very welcome and we hope that this model will survive the impact of the COVID-19 pandemic. Eurodiaconia is in full support of the intention of the European Commission to use these principles to direct the response to the crisis, balancing the need for macro-

³ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52019DC0650&from=EN> p1

economic stability with the urgency of responding to the climate crisis and ensuring that these objectives are pursued in a fair way, reducing the already too large inequalities in our societies and ensuring that the most vulnerable do not get further left behind.

The efforts made throughout the 2020 Semester to better incorporate the UN Sustainable Development Goals (SDGs) is a positive development. Alongside the change of name of the *Annual Growth Survey* to the *Annual Sustainable Growth Strategy*, the move away from the *virtuous triangle* of previous Semester cycles with its emphasis on investment, fiscal sustainability and structural reforms and to the four new priorities (environmental sustainability, fairness, productivity and macroeconomic stability) demonstrates an effort to include a wider number of SDGs within the Semester.

The reference to the Green Deal as Europe's new growth strategy in the ASGS was also a welcome development, recognising, as it does, the need for environmental sustainability alongside growth and for a just transition for both regions and people. Nevertheless, the Green Deal does not yet actively aim to reduce poverty and inequality but rather tackles these issues tangentially to its main ambitions of a green and digital transition. In contrast to the Europe 2020 Strategy with its specific target on poverty reduction, the Green Deal does not provide a truly comprehensive strategy for the next decade despite the importance of its primary objectives.

We welcome the focus given to the European Pillar of Social Rights in the ASGS but regret that much of the section is dedicated specifically to the Pillar in relation to the labour market: for instance, fair working conditions, gender inequality in the labour market, boosting education, training and skills. Even tackling the inequalities experienced by groups at risk of exclusion, including persons with a disability, Roma and migrants is

couched in terms of their ability to contribute to the labour market.⁴ Fairness in the EU should not just be viewed in relation to fairness in accessing employment.

Despite this, the recognition of the need for social protection systems to cover all people, regardless of their working status, is extremely important and it is a key priority of Eurodiaconia. Furthermore, any response to the impact of 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.

The ASGS spent little time on matters related to investment in long-term care and healthcare, only referencing them in relation to demographic change and tax evasion. Nevertheless, 2020 has done its best to highlight the importance of maintaining spending in health and long-term care and underlined the false economy of cutting investment in these services. Eurodiaconia hopes that the impact of COVID-19 will provide sufficient impetus to the EU and member states to make long-term, structural investments in these sectors, not only in order to mitigate the repercussions of the pandemic but also to prepare for any future crises and for the impact of demographic change.

Unfortunately, the 2020 ASGS makes no mention of the importance of engaging civil society in the Semester, despite Guideline 7 and Recital 11 of the Employment Guidelines which underscore the need for this engagement. The Semester, with the broad expanse of policy areas upon which it touches, affects many different aspects of peoples' lives and, as such, the public and those organisations working at the grassroots level must be engaged at regional, national and European level.

⁴ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52019DC0650&from=EN>
p10

2020 Winter Package

Overall, the 2020 Country Reports followed 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 felt that the reports presented 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 was not adequately covered or connections between topics are not clearly drawn; for instance, in-work poverty and its implications on child poverty.

The increasing attention given to the implementation of the EPSR throughout the Semester is welcome and the recent addition of the 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 provided 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 were pleased to see 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 reported 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 was 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.⁵ The right to housing should be enforced regardless of residence status, to ensure access for migrants, homeless people and other excluded groups.

This year's emphasis on in-work poverty in the Country Reports was 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 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 was referenced in six of the 28

⁵ FEANTSA (2016) Five key principles for implementing the housing priority in the European Pillar of Social Rights

reports, but not in France, Germany, Greece or Italy. Considering the still extensive degree of social exclusion that Roma face, it was surprising that they did 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 dedicated considerable attention to issues surrounding the inclusion of Roma which was 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.⁶

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.

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

⁶ 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

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 was to push for greater efforts 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.⁷ 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.

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 crisis⁸ and the proposal for a

⁷https://ec.europa.eu/eurostat/statisticsexplained/index.php/Children_at_risk_of_poverty_or_social_exclusion

⁸ <http://www.alliance4investinginchildren.eu/joint-statement-on-protecting-children-and-their-families-during-and-after-the-covid19-crisis/>

Council Recommendation on the Child Guarantee for the wellbeing of all children across the EU in 2020⁹, 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 the 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.

⁹ <http://www.alliance4investinginchildren.eu/proposal-for-a-council-recommendation-on-the-child-guarantee-for-the-wellbeing-of-all-children-across-the-eu/>



2020 Spring Package

The 2020 country-specific recommendations were unlike any that have come before and were, primarily, a crisis response. The recommendations issued broadly allowed 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 healthcare. 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.

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.¹⁰ 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 did 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 appreciated the general tone 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 healthcare, 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.¹¹ We warmly welcome this attention given to the issue of the adequacy of income. Many member states have been 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.

¹⁰<https://www.socialeurope.eu/what-to-do-about-economic-inequality>
<https://www.imf.org/external/pubs/ft/wp/2016/wp16176.pdf>

¹¹[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)

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 healthcare. 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 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.¹²

Eurodiaconia welcomes the focus on healthcare 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 healthcare 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

¹² *ibid*

only one part of the care sector (healthcare) 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 was 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 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 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 recognised 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.¹³ Over the last decade, there has been an increase in segregated education for Roma children despite all efforts to reduce this practice.¹⁴ 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 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.¹⁵ 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.¹⁶ 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. 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

¹³ <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/>

¹⁴ <https://fra.europa.eu/en/publications-and-resources/infographics/plight-roma-sees-littlechange>

¹⁵ "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-nv145m3l96&title=COVID-19-Protecting-people-and-societies

¹⁶ 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-cantfight-one-without-tackling-the-other/>

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.

Eurodiaconia was pleased to note that, despite the impact of COVID-19, the aims of the Green Deal were 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 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 was 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.

Civil dialogue in the Semester

In recent years there has been a clear effort made at European level (specifically by DG EMPL) to have a more structured dialogue with civil society throughout the Semester cycle. Unfortunately, due to COVID-19, the 2020 Semester has seen less dialogue. Due to the expected changes to the 2021 Semester, at time of writing it is unclear how civil society will be consulted at both EU and national level. We appreciate the attention given to engagement with civil society, social partners and other stakeholders in the guidance on the Recovery and Resilience Facility and the stress placed upon national governments consulting with stakeholders but it remains to be seen to what degree this is followed. Without the usual opportunities to take part in the discussions through the drafting of the country reports, the national reform programmes and the country-specific recommendations, there is a very clear risk that civil society will not be heard.

Furthermore, it remains difficult to establish relationships with other parts of the European Commission, in particular with the Secretariat General or with DG ECFIN. In light of the important role that both DGs play in relation to the Recovery and Resilience Facility, it is a concern that civil society will not be included in stakeholder discussions on this.

In mid-April, member states submitted their national reform programmes (NRPs), detailing their national strategies and policies to boost jobs and growth and prevent or correct imbalances. They also provide an opportunity for member states to reflect how the priorities of the Annual Sustainable Growth Strategy and EU guidance from the country reports and country-specific recommendations of the previous year have been

successfully implemented, and what concrete actions have been undertaken.

This element of the Semester should also provide an opportunity for dialogue between civil society organisations and national governments before member states present their final report to the European Commission within the NRPs. Eurodiaconia strongly encourages its members to take part in this process. Each year, Eurodiaconia's members are invited to take part in a survey on their involvement at national level, within the framework of the NRPs.

As with previous years, a lack of uniformity in the structure of the reports does not aid transparency or assist engagement. Critically, some reports are not available in their national language(s). Others are not available in English. This certainly impedes stakeholder engagement at national and EU level and should be remembered in the context of the Recovery and Resilience Plans when they are published in the next Semester cycle.

Many of our members report difficulties in engaging at national level, citing that they felt that national authorities did not consider their input in a serious manner or that it was not clear how and when they should try to give their input. Many members felt that their most practical way of engaging with the Semester was at EU level through Eurodiaconia. The observations of our members suggest that much more remains to be done to encourage full stakeholder involvement at national level. Eurodiaconia - at EU level - and our members - at national or regional level - will continue in our efforts to encourage national governments to put in place structures to allow for more effective stakeholder dialogue.

Looking forward to the 2021 Semester



As with many other things, COVID-19 will also leave an indelible mark on the European Semester process. The 2020 cycle has already moved dramatically away from its usual course and there is no doubt that 2021 will see that trend continue. The early publication of the Annual Sustainable Growth Strategy for 2021 and the direct link it makes between the Semester and the Recovery and Resilience Facility has already exposed many ways in which the Semester cycle will need to change.

The Semester has continually evolved since its inception a decade ago and it is a strength of the process that it can adapt to circumstances with flexibility and speed. This evolution will certainly continue. Nevertheless, the gradual steps that have been made in recent years towards a greater socialisation of the Semester, with more attention paid to policy objectives beyond macro-economic stability and growth, in particular in relation to the full implementation of

the European Pillar of Social Rights, have been hugely welcome and it is a great concern that the changes we will likely see to the process in 2021 may inadvertently change that direction of travel.

The 2020 cycle has already moved dramatically away from its usual course and there is no doubt that 2021 will see that trend continue.

In short, the Semester is now supposed to monitor compliance with the Stability and Growth Pact, be integrated into the Recovery and Resilience Plans, aligned to the ambitions of the Green Deal and is consistently referred to as the vehicle for the achievement of the Sustainable Development Goals and the European Pillar of Social Rights. The Semester has become the lynchpin of many different strands of EU policymaking. However, these are not always entirely compatible bedfellows. Can the Semester meet the objectives of the economy of

wellbeing that are inherent in the SDGs, the EPSR and the Green Deal whilst still remaining true to the core aims of the Stability and Growth Pact? Is the achievement of Social Europe a significant enough priority for the von der Leyen Commission for the EPSR to retain its prominence in forthcoming Semester cycles and within the Recovery and Resilience Plans of member states?

Promote social investment

Key to the ability of member states to respond promptly to the repercussions of the COVID-19 pandemic was the quick activation of the general escape clause of the Stability and Growth Pact. This must not be a time-limited, one-off measure. Member states must be able to invest in order to support their economies, with this investment simultaneously strengthening vital public services such as healthcare, long-term care, education and training in order to continue to deal with the implications of the current pandemic and to better prepare for any future crises. A key priority for Eurodiaconia for the future Semester cycle is clarification of the continuation of the general escape clause, alongside a thorough reflection on European economic governance, which includes deeper consideration of the overarching goals of the interventionism and coordination carried out via the European Semester process.

Whilst we recognise that the 2020 country-specific recommendations were an emergency response to the COVID-19 crisis, the Spring Package did not illustrate the centrality of social priorities in the recovery beyond the immediate need to support healthcare systems and strengthen education and training. In 2021, investment priorities should be broader, encouraging social investments in public services which stretch beyond those needed for immediate crisis response and towards better shaping society for the future, whether through education, a green transition, working towards achieving equality of opportunity or preparing for demographic change. Whilst it was made clear that member states should consider the country-

specific recommendations from 2019 as still relevant, it remains to be seen as to whether the Recovery and Resilience Plans that are submitted by member states will properly incorporate these aims and, if not, how firmly the European Commission will respond.

Eurodiaconia is further concerned that the European Commission assessment of the Recovery and Resilience Plans will only be reviewed by the Economic and Financial Committee, without the input of other bodies such as the Social Protection Committee or the Employment Committee. This suggests a prioritisation of macro-economic and productivity factors above all other concerns which could undo much of the progress made in recent years towards a Semester which pays due attention to the wider impact of the economic and financial objectives which it sets member states.

Similarly, the need for greater horizontal thinking within the Commission in order to determine the trade offs between the four priorities of the 2019 ASGS (growth, stability, fairness and environmental sustainability) as well as the combination of the Semester, the Recovery and Resilience Facility, the Green Deal, the EPSR and SDGs and their linkages and overlaps requires more cross-working. Currently, the Semester process is led by three 'core DGs', DG EMPL, DG ECFIN and SECGEN, with DG ENV and DG CLIMA playing a more peripheral role. However, at a higher hierarchical level, neither DG ECFIN nor DG EMPL are part of the Commission's Group on the Green Deal which is made up of the Commissioners for Agriculture, for Health and Food Safety, for the Environment, Oceans and Fisheries, for Energy, for Transport and for Cohesion and Reforms and coordinated by Vice President Timmermans. Neither the Commissioner for the Economy nor the Commissioner for Jobs and Social Rights are part of this Group. Instead, they are involved – along with the Commissioner for Cohesion and Reforms – in 'An Economy that Works for People', under Commission Executive Vice-President

Dombrovskis.¹⁷ With such a high level of policy interlinkage in relation to the Semester, the Green Deal and now the Recovery and Resilience Facility, ensuring that the relevant parts of the Commission are sufficiently coordinated and engaged with each other is of huge and growing importance.

COVID-19 has brought into focus the need to address topics which were evident before but are now absolutely unmistakable: increasing digitalisation, expanding inequalities in our societies, job polarisation and the rise of non-standard and new forms of employment are putting pressure on our social model. Lockdowns highlighted just how wide inequality gaps are, with some people expected to isolate in sub-standard housing or without any permanent housing. Children were expected to home-school but some were expected to do so without access to computers, the internet or in families where any extra cost on the electricity bill will make it completely unaffordable. The green and digital transitions which form such a central element of the recovery plans must pay urgent attention to those least able to shoulder any extra burden. These ambitions must be pursued in such a way as to narrow the already-too-wide inequalities in society, not make them any wider.

Social investment will help to make our societies more resilient, better equip workers for the changing nature of employment, reduce inequalities and help all citizens to reach their full potential. It must remain a priority in the Semester and must be central to the Recovery and Resilience Plans submitted by member states.

¹⁷<https://www.etui.org/sites/default/files/2020-09/A%20socially%20just%20transition%20through%20the%20European%20Green%20Deal-2020-web.pdf> p21

Promote quality employment

Before the outbreak of COVID-19 in Europe, non-standard forms of employment, precarious employment, in-work poverty and job polarisation (i.e. employment growth concentrated at both the bottom and top of income distribution) were already a cause for concern. There is now a chance that, due to the expected substantial increase in unemployment caused by the economic recession, that this may lead to worse working conditions for many as desperate people fight over jobs of low quality and with little security.

In-work poverty has been a growing concern for our members in recent years and it is a problem that was already affecting over 9% of all EU workers in 2018.¹⁸ Whether as a result of the weakening of collective bargaining, a rise in involuntary part-time work, zero hour or temporary contracts, wage levels or reduced employment protection, it is clear that employment alone no longer offers a route out of poverty. In response to the crisis, steps must be taken to ensure that jobs offered are of good quality and provide wage levels that allow people to maintain a decent life.¹⁹ It is a failure of our society that people can work in a full-time job yet still be unable to feed themselves and their families.

The pandemic also revealed gaps in social protection coverage for platform workers, migrants and refugees, people working in the informal sector, temporary workers and people with precarious work contracts, among others. Workers with non-standard contracts are up to 40 - 50 % less likely to receive any form of income support when out of work.²⁰ Social protection schemes should serve to prevent individuals and families falling

¹⁸https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=sdg_01_41&plugin=1

¹⁹<https://www.eurodiaconia.org/2020/04/eurodiaconia-contributes-to-the-no-precarious-work-project/>

²⁰[https://www.europarl.europa.eu/RegData/etudes/BRIE/2019/642343/IPOL_BRI\(2019\)642343_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2019/642343/IPOL_BRI(2019)642343_EN.pdf) p. 4

into poverty yet COVID-19 very clearly highlighted the need for social protection systems to be improved in order to ensure a safety net for all. It is crucial that social protection systems are accessible to those in all types of work, are concrete, adequate and well-funded. Punitive approaches which deliberately seek to exclude have much wider implications than just on the individual concerned. Punitive conditionalities and the cutting of benefits to below the level of subsistence have no place in our society.

In contrast, Eurodiaconia wishes to see an adequate minimum income scheme introduced in all EU countries. At Eurodiaconia, we have been following and contributing to the discussions around minimum income for the last decade as adequate minimum income is at the heart of any realistic, impactful approach to addressing poverty and social exclusion. Furthermore, if we wish to see full implementation of the European Pillar of Social Rights then there must be action taken in this regard. We fully support the calls for a legally-binding²¹ EU Framework Directive on Adequate Minimum Income as a cornerstone of the upcoming EPSR Action Plan in order to raise the living and working conditions of millions of people currently experiencing poverty or social exclusion.²² Eurodiaconia welcomes the recently adopted Council Conclusions on *Strengthening Minimum Income Protection to Combat Poverty and Social Exclusion in the COVID-19 Pandemic and Beyond*. Together with Social Platform, EAPN and Caritas Europe, we therefore urge the European Commission and EU member states to move towards a legally-binding EU Framework Directive to ensure that all national reforms set minimum standards guaranteeing everyone an adequate minimum income throughout the life cycle, enabling

²¹<https://www.eapn.eu/expert-study-on-a-binding-eu-framework-on-adequate-national-minimum-income-schemes-a-van-lancker-a-aranguiz-h-verschueren/>

²²<https://www.eurodiaconia.org/2020/09/policy-paper-update-adequate-minimum-income-recommendations-for-an-active-inclusion-strategy/>

people to lead a life of dignity and ensuring their full participation in society.²³

Restructuring of our economies is already taking place and will continue to take place in the coming years (also in relation to the green and digital transition) and it is vital that groups of people, sectors, territories at risk of being left behind receive sufficient help to adjust. The Just Transition Fund is extremely important in this regard but this cannot replace strong social protection systems which guarantee social rights for all citizens. Furthermore, the Just Transition Fund must also avoid becoming too territorial or sectoral in its approach but must keep people at its centre.

The €100 billion envisaged from the Just Transition Fund will be essential, however, we are concerned that this is mainly leverage of private investment, rather than public investment for public goods. A clear percentage of the budget under the EU Recovery Plan should be ringfenced to ensure people facing poverty and social exclusion are meaningfully protected from the impact of the transition. The introduction of the Just Transition Fund requires an increase in the next Multiannual Financial Framework. We oppose the proposal of an obligatory transfer of ESF+ and ERDF resources to the Just Transition Fund made by the European Commission. Instead, we propose to use and reinforce existing synergies between the different funds. Funding should not be diverted away from the ESF+ as this would undermine its key role in *supporting people*, reducing poverty and social exclusion.²⁴

The digital transition (which received a kickstart due to lockdowns resulting from the pandemic) will require citizens to have access to opportunities for lifelong learning in order to ensure that they can still access employment as the job market adjusts. Access to lifelong learning will not only help our

²³ <https://www.socialplatform.org/news/council-adopts-conclusions-on-strengthening-minimum-income-protection-in-the-covid-19-pandemic-and-beyond/>

²⁴ https://www.eapn.eu/wp-content/uploads/2020/08/EAPN-2020_EAPN-Green-Deal-Key-Messages-Reflection-Paper-4601.pdf

economy through ensuring a workforce which has the talent and skill to meet the demands of increasingly technical employment, but it also creates chances for individuals to participate fully in society, get high-quality jobs and to develop their own skill set.

Labour markets must be fully inclusive, promoting equal opportunities for all with attention given to those groups already under-represented and who have also felt the impact of COVID-19 the hardest. Recovery and Resilience Plans must pay specific attention to those groups who face particular barriers: for instance, Roma and migrant women. Furthermore, considering the mutually reinforcing links between poverty and labour market exclusion, tackling current barriers which reinforce discrimination against certain groups and which limit the possibility of every citizen to reach their full potential, is not only good sense in terms of social outcomes but also for the competitiveness of the EU.

Tackle child poverty

With one in four children in the EU at risk of poverty and social exclusion even before the outbreak of COVID-19, and with this number expected to grow in the aftermath of the pandemic, children must be placed at the heart of the recovery.²⁵

The crisis has placed enormous strains on child protection systems across the EU as we have witnessed a rise in abuse claims.²⁶ Usual support networks have been removed, leaving children isolated and at risk. Children in alternative care have been particularly vulnerable due to their reliance on social workers and carers.

²⁵ https://ec.europa.eu/eurostat/statistics-explained/index.php/Children_at_risk_of_poverty_or_social_exclusion#General_overview

²⁶ <https://www.end-violence.org/protecting-children-during-covid-19-outbreak>

The temporary closure of schools has highlighted pre-existing inequalities in education and will no doubt result in wider educational attainment gaps thanks to varying capacities of governments, schools, teachers and parents to support students in a new educational environment. For those whose schools offer first-class online teaching and who are provided with the necessary equipment and support to allow them to continue their education, 2020 will not have caused substantial issues in terms of their educational attainment. For those students who have no access to a computer at home, or who do not have internet access, or who do not have parental support, there is little chance that the implications of the pandemic will not have a significant impact on their life chances. Inequalities and lack of opportunity borne out of poverty should not be inherited.

Effective public investment must be built into the Recovery and Resilience Plans of member states. The first months and years are key to determining the later emotional, physical and cognitive development of a person and it is also a crucial period in breaking the cycle of disadvantage. Investment in early years development must be prioritised as these services (child care, health visitors, family groups, early years education etc) have the potential to significantly improve health and socio-economic outcomes for children and to break the intergenerational poverty cycle.

The pandemic heightened the already dire situation of children living in precarious situations across Europe, for instance those in overcrowded refugee camps or for Roma communities. The removal of support services; the difficulty in self-isolating in substandard accommodation, sometimes without access to water; the lack of internet access or computer equipment: it is clear that COVID-19 has exacerbated problems which were unacceptable even before the crisis. The national recovery plans must allocate sufficient support to those who are in most desperate need.

As a child's well-being depends heavily on the family within which they grow up, direct support for families (such as an adequate child allowance for every child) must be provided and more effort must be made to tackle in-work poverty so that working parents can support their families.

Eurodiaconia fully supports the development of a European Child Guarantee to ensure access for children to free healthcare, free education, free childcare, decent housing and adequate nutrition. However, tackling child poverty requires a recognition of the multidimensionality of poverty and an integrated approach which tackles both the needs of the child and their parents/carers. On 19th August, the European Commission launched a public consultation on the Roadmap for the Child Guarantee, where Eurodiaconia and the EU Alliance for Investing in Children have also made their contribution.²⁷

Close the gender gap

COVID-19 has provided clear evidence that inequalities between women and men are persistent and that unpaid and undervalued care – overwhelmingly provided by women – is the backbone of our societies. From bearing most of the load in terms of household chores and childcare, to working on the front line during the pandemic as shop workers, nurses, cleaners and carers, to the extremely worrying increase in domestic violence, the disadvantage of gender has been highlighted very concretely over the past months.

If the Recovery and Resilience Plans of member states intend to push for increased female labour market participation, then this must be accompanied by efforts in other fields. Without quality, accessible and affordable childcare, female labour market participation will not increase: the higher the proportion of income that families spend on childcare, the lower the incentive to take up employment.²⁸ Simultaneously, current imbalances in caring and professional responsibilities and caring and

²⁷ <https://www.eurodiaconia.org/2020/10/eurodiaconia-releases-its-latest-contributions-to-the-child-guarantee/>

²⁸ *Employment and Social Developments in Europe, Annual Review 2019*, European Commission (2019) p138

household responsibilities will also reduce levels of female employment. Whilst COVID-19 provided opportunities for both men and women to work from home, the difficulty of combining jobs with home-schooling and household chores led to challenges regarding work-life balance. The gender dimension of the crisis must be recognised and the gender perspective must be integrated into all Commission initiatives and all Recovery and Resilience Plans.

Furthermore, there must be targeted measures directed at those women experiencing the most challenges, in particular migrant women. Migrant women often face a double disadvantage due to their status as women as well as immigrants.²⁹ They must usually confront more obstacles to access employment, training, language courses and integration services than their male counterparts. Moreover, within the group of non-EU migrants, refugee women are confronted with additional challenges often related to their forced migration, including poor health, trauma, and lack of documentation of their education and work experience. In addition, migrant women often experience multiple forms of discrimination based on factors including gender, sexual orientation, race, ethnicity, religion and immigration status, putting them at a higher risk of experiencing violence, poverty and social exclusion.

Successful integration therefore depends on a package of measures that are tailor-made and give greater consideration to these specific challenges and to the migrant's experience. Thus, effective systems that recognise migrants' skills, experience and existing qualifications such as the EU Skills Profile Tool for Third Countries Nationals and mentoring programmes are key for an optimal labour market integration.

²⁹ *Triple Disadvantage?: A first overview of the integration of refugee women*, Liebig and Tronstad, OECD Social, Employment and Migration Working Papers, No.216, OECD Publishing, Paris (2018), p8

Eurodiaconia wishes to see the swift implementation of the Gender Equality Strategy. The commitments made therein provide a comprehensive strategy towards tackling violence against women and girls, ensuring the economic independence of women and guaranteeing that policies and funds are directed towards securing the rights of women and girls.

Prepare for demographic change

Despite the impact of COVID-19, Europe continues to age dramatically; primarily due to a significant increase in life expectancy and lower birth rates. In 2070, life expectancy at birth is projected to reach 86.1 years for men, up from 78.2 in 2018. For women, it is estimated at 90.3 – up from 83.7.³⁰ EU citizens aged over 65 may expect to be able to manage their daily living activities independently for less than half of their remaining years. As well as putting greater pressure on the sustainability of pension systems, this will also change the care requirements of the elderly in the future.

With increasing numbers of people becoming frail, developing multiple chronic conditions and with projections showing that the number of people living with Dementia worldwide may triple by 2050, we need to develop different ways of providing health, social and long-term care services with much greater integration than is currently the case, whilst ensuring accessibility, affordability and quality.⁹

Contrary to healthcare, social protection for long-term care does not exist in all member states. Formal long-term care is expensive and is often taken

³⁰ https://ec.europa.eu/info/sites/info/files/demography_report_2020_n.pdf p7

on by the person in need or their family. As Europe's population gets older and households get smaller, this is likely to be a continued challenge.³¹

Issues witnessed throughout the COVID-19 pandemic in relation to the rapid rise in demand for care, staff shortages in the care sector and financial pressures underlined the need for structural reforms and investment. Eurodiaconia is pleased to see the 2021 Annual Sustainable Growth Strategy and the guidance for the Recovery and Resilience Facility place so much emphasis on investments in care and we hope that national governments will follow suit in their recovery plans.

Beyond the immediate care requirements of demographic change, many other factors will put pressure on support systems, the cohesion of our societies and public budgets. Old-age poverty continues to exist, with 15.5% of people aged 65 and above at risk of poverty in 2018, with women most likely to be affected (due to lower employment rates, more career breaks, lower wages, a higher tendency to work part-time or in temporary roles and therefore lower pensions but combined with a longer life expectancy).³²

As the demographic make-up of our society changes, combatting unemployment will become increasingly important. One approach to tackling the challenge of a smaller working-age population is to encourage more people currently underrepresented to join or participate more in the labour market. Further, including more people from different backgrounds into employment would also contribute to increasing the employment rate. With an employment rate 9.6 percentage points lower than that of people born within the EU, targeting those born outside the European Union (especially women) is particularly necessary.³³ Nevertheless, in order to do this successfully then more attention must be paid to combatting all forms of discrimination in the

³¹ Ibid p18

³² Ibid p19

³³ Ibid p 16

labour market, either based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation. Social economy actors and enterprises also have an important role to play in fostering a more inclusive labour market, to the benefit of workers and local communities.³⁴

Mobility of people, declining birth rates, increasing urbanisation, lack of access to services in remote areas: demographic change will continue to reshape our societies and will have major geo-political, economic and social implications. Eurodiaconia welcomed the publication of the European Commission's 'Report on the Impact of Demographic Change' as providing a useful overview of the multifaceted dimensions of demographic change and hopes that the paths that member states take towards recovery from the pandemic will keep in sight the implications of our changing society and the steps that need to be taken in order to fully prepare for the future.

³⁴ Ibid p16



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Sara Scheiflinger, Diaconia Austria:

Together with our reformed social security system we are really worried that those who were already struggling will fall even further behind. We need a social investment package that also addresses the expansion of social services – we are sure that this would bring a balance to both: society and economy.

Conclusion



Recovery from the current pandemic will be a long road. 2020 has been marked by distress, loss and trauma, as well as courage, solidarity and hope. As we begin the 2021 Semester cycle in whatever form it will eventually take, and as the recovery plans begin to be drafted by national governments, Eurodiaconia hopes that the mistakes of the past will not be repeated. The prioritisation of macro-economic stability over social cohesion and stability; blindness to the effects of macro-economic policy pursued through the European Semester; all this has succeeded in weakening care systems and social protection, increasing inequalities and undermining political stability.

The focus placed on the achievement of the Green Deal through the Recovery and Resilience Facility and the Semester is very positive but there is a risk that the territorial or sectoral approach of the Green Deal will

see overall social objectives relegated. We would encourage the Commission to stand firm on ensuring that social reforms and investments are truly represented in the recovery plans that are submitted by member states and that the full implementation of the EPSR remains a compass in the recovery.

The EPSR Action Plan, to be published in 2021, has many hopes riding on it. Eurodiaconia seeks to help move the EPSR beyond a framework of mere principles using the possibilities of legislation, policy and tools such as EU funding. For Eurodiaconia, it is not sufficient that the EPSR exists if it does not also improve people's lives. There must be appropriate implementation initiatives at EU and national level, thus promoting improved economic and social cohesion in the EU. The Recovery and Resilience Plans of member states should outline how the reform priorities identified will work towards the achievement of full implementation of the EPSR. Eurodiaconia would further urge the involvement of the Social Protection Committee and

Eurodiaconia seeks to help move the EPSR beyond a framework of mere principles using the possibilities of legislation, policy and tools such as EU funding.

Employment Committee alongside the Economic and Financial Committee when it comes to the assessment and final sign off of the national plans in order to get a more holistic viewpoint.

The implementation of the EPSR cannot be separated from the unique experience and expertise of civil society actors in addressing poverty and social exclusion. Social service providers are a pre-requisite for a successful Pillar implementation, and we can build on decades of experience in the fight for a more social Europe. Nevertheless, deprived of the usual opportunities to engage at national level through the removal of the Winter Package and Spring Package for 2021, it is crucial that the opinion of civil society and other stakeholders is sought in the formation of the recovery plans. We would urge the Commission to ensure that member states do outline their engagement with national stakeholders in their recovery plan as is outlined in the guidance to the Recovery and Resilience Facility. We would further recommend that the European Commission seeks opportunities to reach out to civil society organisations at EU level throughout the year, despite the removal of the usual milestones of the Semester which formed the previous occasions for exchange. Furthermore, considering the rapid digitalisation which has taken place as a result of the pandemic, we would encourage the Commission to make use of these tools to reach out directly to national, regional and local level civil society organisations wherever possible. Where in-person meetings between officials and stakeholders were often time-consuming, expensive and burdensome, the expanding use of digital meeting platforms can provide a much easier route between those working on the ground and those creating policies and legislation.

Eurodiaconia has consistently called for a change to the Semester timeline as the yearly cycle does not allow sufficient time for structural reforms to take effect. Despite the changes to the 2021 Semester being more by accident than design, we hope that the alterations we have seen will continue to provide space for open and regular discussion of the progress of member states towards the implementation of their country-specific recommendations and the achievement of a sustainable, inclusive society



for all. However, much now depends on the ability and willingness of the European Commission to stand up to member states when they present their recovery spending programmes and whether national governments do truly use the country-specific recommendations of the past few years (and all of the recommendations, not just the ones they find politically useful) to guide their spending. The low implementation rate pre-COVID put the future of the Semester process at risk and if this custom continues into the recovery period, the Semester itself may also be one of the many victims of COVID-19.

CONCLUSIONS AT A GLANCE

Social reforms and social investments must be a central tenet in the national recovery and resilience plans and the full implementation of the European Pillar of Social Rights must remain a compass in the recovery.

Alongside the Economic and Financial Committee, the Social Protection Committee and Employment Committee should be consulted when it comes to the assessment and final sign off of the national recovery plans.

Without the usual avenues provided by the publication of the Winter and Spring Packages, it is crucial that other openings are given to civil society to input their opinions during the formation of the recovery plans.

The European Commission must ensure that member states do incorporate all aspects of the country-specific recommendations when they present their recovery plans, not just those most suited to national political purposes.

There must be a thorough reflection on EU economic governance and current spending rules, including consideration of the goals of the interventionism and coordination carried out through the Semester.

Tying recovery funding to the Semester has the potential to significantly increase implementation rates of the Semester recommendations, but the Commission must stand its ground if draft plans ignore vital social outcomes.



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