



Report

# Promoting Shared Prosperity in the European Semester

*Taking stock of the 2021 cycle and launching the 2022 Semester*

**Eurodiaconia** is a European network of churches and Christian NGOs providing social and healthcare services and advocating social justice.

## Mission

Eurodiaconia is a network of churches and Christian organizations 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 marginalized.

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# POLICY SNAPSHOT



This paper takes stock of the 2021 European Semester cycle and sets our social priorities for the 2022 European Semester.

This paper is primarily addressed to the European Commission units working on the European Semester, the Social Protection Committee and members of the European Parliament EMPL committee.



This paper assesses the progress made on the policy priorities which we presented a year ago, as well as civil society involvement in the 2021 Semester cycle. Furthermore, it outlines our social policy priorities for the 2022 Semester.



Throughout the year we work closely with our members to assess social policies at European and national level. We use their feedback to assess the progress made, the degree to which our observation have been taken into account in the Semester process and formulate priorities for the upcoming Semester cycle.



Eurodiaconia recognises that COVID-19 reshaped the 2020 and 2021 European Semester cycles, putting the recovery at its centre. As the 2022 Semester is about to start we call on the European Commission to effectively mainstream the European Pillar of Social Rights in the Semester, allow for meaningful civil society engagement at EU and national level and ensure that the recovery and transition has a strong social focus and leaves no one behind.

## About this publication



With this publication, Eurodiaconia and its members aim at taking stock of the 2021 European Semester and launching the 2022 European Semester cycle by putting forward our five social priorities for a fair and inclusive transition.

Eurodiaconia is a network of 54 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 supporting people throughout the COVID-19 crisis. Through their daily work, they have been contributing to the implementation of the European Pillar of Social Rights (EPSR) from the onset on. Their expertise and experience place them in a position to identify the most significant challenges facing society and to analyse the degree to which public policies allow for the successful implementation of the EPSR in the regions and countries in which they operate.

The exceptionality of the 2021 European Semester cycle with its procedural changes made civil society engagement at European and national level close to impossible. Eurodiaconia has, however, continued to gather input from our members on a wide range of policy topics, including in-depth exchanges on the effects of the COVID-19 crisis on their services and service beneficiaries. Furthermore, we have conducted an analysis of the 2019 Country Specific Recommendations (CSRs) together with our members and formulated complementary CSRs, which would be necessary to make significant progress towards a more social and inclusive European Union.

This publication is based on the ongoing work of Eurodiaconia in close cooperation with our members throughout the entire year. It exposes in a first section an analysis of the 2021 European Semester and takes stock of the advancement of the social issues that we have highlighted last year.<sup>1</sup> The second section highlights the five social issues, which we consider to be key for the 2022 European Semester cycle.

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<sup>1</sup>Eurodiaconia, [Promoting shared prosperity in the European Semester \(October 2020\)](#)



## Why this publication

The European Semester is an annual cycle of coordination of EU member state's 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.

The proclamation of the European Pillar of Social Rights (EPSR) in November 2017 has created a framework of social rights and principles, building upon existing European and international human rights standards. It has created an opportunity to strengthen the social dimension of the European Semester, yet despite being called the EU's "social compass" the EPSR has not become a central element of the European Semester and its implementation has stalled.

Eurodiaconia therefore welcomes the publication of the EPSR Action Plan and its Headline targets for 2030, as well as the revised scoreboard, earlier this year. We hope that it will provide the European Semester a new impetus and that the EPSR principles will be systematically mainstreamed in the 2022 European Semester analysis.

The Green Deal and the Recovery and Resilience Facility promote a recovery based on innovation. It is crucial however, to be careful in the design of new policies in order to make sure no one is left behind. Our network, together with its partners, will continue to monitor carefully this transition and advocate for measures to ensure that it is indeed the promised just transition.

Ahead of the upcoming Autumn package, Eurodiaconia takes the opportunity to take stock of the exceptional 2021 European Semester and set out its priorities for social policies in the EU to be addressed in the 2022 Semester cycle. We have identified these on the basis of our ongoing policy work and feedback from members on the social challenges they are observing and addressing in the Member States.



The 2021 Semester was an exceptional cycle, brought about by the devastating and far-reaching effects of the COVID-19 Pandemic. The people and services that our members engage with have been especially hard hit throughout, disproportionately impacting vulnerable and isolated communities, already suffering years of cost-cutting austerity.

Last year, Eurodiaconia and civil society organisations more widely, were taken by surprise when the Annual Sustainable Growth Survey (ASGS) was published two months earlier than usual and represented a substantial deviation from the normal semester cycle. Unfortunately, this lack of transparency limited the chance for civil society to engage in the semester process and this has regrettably been one of the defining characteristics of this exceptional semester.

*The lack of Country Reports in the 2021 Semester cycle risks missing the true scale of the impact of the pandemic on vulnerable and marginalised communities.*

At the heart of the 2021 Semester were two key components: the Recovery & Resilience Facility (RRF) and the National Recovery & Resilience Plans (NRRPs), which replaced the National Reform Programmes (NRPs). The RRF was launched by the European Commission to support member states in repairing the social and economic damage done by the pandemic, making €672.5 billion in funds and loans available. To access these funds member states had to present their NRRPs by the end of April, with specific proposals for rebuilding and developing resilience to future crises. Since June 2021 the Commission has begun the process of endorsing plans and releasing pre-financing to boost the implementation of investment and reform measures.

We consider it a gross oversight that Country Reports and therefore subsequent Country Specific Recommendations (CSRs) have not been a

part of the 2021 Semester. Though, the 2019 and 2020 CSRs have played a role in shaping the development of NRRPs, as required by the RRFs regulations. Although imperfect, this has ensured that social issues with roots predating the pandemic are not overlooked as we begin to look towards a post-pandemic EU. However, the lack of Country Reports in this cycle risks missing the true scale of the impact of the pandemic on vulnerable and marginalised communities. Therefore, missing opportunities to adequately address them.

We welcome the European Commission's quick response to the economic challenges of the COVID-19 crisis, with an approach that is focused on investments, instead of austerity. However, we find it concerning that, across member states, our members reported a lack of transparency and civil society involvement in the development of NRRPs.

We regret the missed opportunity to acknowledge the urgency in addressing social challenges specifically. Relying on the cross-cutting effects of green and digital funding with an emphasis on a fair, sustainable and green recovery, driven by innovation, is at risk of leaving people behind if no targeted measures are put in place for the most vulnerable of our societies, including decisive social investment. Across the draft NRRPs, 24 member states explicitly referred to either, 'social' or 'circular' economy. The references to the circular economy were far more developed than those to the social economy, however, both lack specificity.

Arguably the Commission sees that cross-cutting effects will simultaneously address social issues. If though, we are to seriously consider that these targets are attainable by 2030, they cannot merely be tools for analysis, they must be prioritised. It is reasonable to question whether, had there been funding targets for social investment, would we have seen more ambitious and innovative targets in NRRPs? The language of the RRF speaks of investment and this was an opportunity to reframe funds that address entrenched social issues as investments and not expenditures.

Sustainable economic recovery across the EU is not achievable if we do not ensure that it is even and just; failure to do so only deepens and defers today's challenges until the next crisis. The European Commission has affirmed the centrality of the European Pillar of Social Rights in its analysis of the NRRPs and importance of working towards the newly set 2030 headline targets of seeing 78% employment, 60% of adults in training and at least 15 million people lifted out of being at risk of poverty or social exclusion. Eurodiaconia is disappointed by the lack of ambition of the headline targets and that this priority was not accompanied by clear earmarking of funds for social investment, in addition to the green and digital earmarking.

This time last year Eurodiaconia identified five key issues to be addressed in the 2021 Semester: the promotion of social investment, quality employment, child poverty, the gender gap and demographic change. In the following section we analyse whether there has been progress on those issues at an EU level over the last year.

## Promote Social Investment

In 2020, Eurodiaconia responded positively to the rapid activation of the general escape clause of the Stability and Growth Pact. The activation of this clause enabled member states to increase public spending and implement emergency measures to protect and invest in public services. Last year we sought clarification on the continuation of the clause, which there was in June this year. The Commission confirmed that the clause would remain active through 2022, with an anticipated deactivation in 2023 and subsequent consideration of country specific situations.

Eurodiaconia and its members are concerned about the proposed deactivation of the general escape clause, as it risks forcing Member States back into austerity measures, reducing much needed social spending. The Commission's decision is based on an anticipated return to pre-pandemic levels of economic productivity. However, this is not necessarily a reflection of Member State's means to continue making social investments. We advocate that the activation of the escape clause should

not be a time-limited measure, a position echoed by the European Parliament's Committee on Economic and Monetary Affairs in a report on the issue of deactivation in January 2021. To avoid repeating mistakes made during the last financial crisis, any deactivation of the clause should be state-dependent and not set to a temporal deadline.

Our members have experienced the damage done by the sudden cutting or withdrawal of social investment in the past. Whilst not a strictly temporal deadline, there is a need for further clarity from the Commission on how country specific situations will be assessed and what the implications will be. The outcome of the Economic Governance Review 2020 will also shape what happens and we emphasise the importance of not returning to the austerity measures of the previous crisis. Such measures would not only risk progress that had been made pre-pandemic but also jeopardise the future of investments made now.

## Equal Employment

In looking ahead to Semester 2021, Eurodiaconia targeted three core issues: social protection coverage, adequate minimum income and inclusive economic transition.

Pre-existing issues within labour markets have been exasperated by the pandemic. The green and digital transitions must be dealt with in an inclusive way, if they are to not have similar impacts on vulnerable communities. We found in our report on the Progress of the Social Dimension of the CSRs, that for vulnerable and marginalised communities and persons, the barriers to good employment are prohibitively high.<sup>2</sup> We must use this time of transition as an opportunity to reach those who are excluded from employment and who are trapped in exploitative and unjust conditions.

In March, we welcomed the Commission recommendation on EASE (Effective Active Support to Employment) and the recognition that we need

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<sup>2</sup> Eurodiaconia, [Report on the Progress on the Social Dimensions of the Country-Specific Recommendations](#), (October 2021)

to transition from job preservation to creation in the aftermath of the pandemic. It did though betray the narrow prism through which EU level employment initiatives are viewed, focusing mainly on labour market skills. There needs to be a broader spectrum promoting inclusiveness and equal access which recognises that for many people in Europe the barriers to accessing the labour market are built on discrimination and prejudice and not their lack of ability or skill. This will be especially important if the targets set out in the Pillar of Social Rights Action Plan are not to be met by merely hitting the easiest targets.

## Child Poverty

Last year Eurodiaconia raised concerns about the impact of the pandemic on the already unacceptable number of children at risk of poverty and social exclusion. This is particularly significant for those children who have been disproportionately impacted by the pandemic, especially those living in overcrowded and precarious conditions such as refugee camps or marginalised Roma communities. As we highlighted last year, the pandemic has only exacerbated problems that were already at an unacceptable level. In view of this, we will publish a policy paper specifically addressing Roma child poverty, demonstrating the role that our members have played in supporting Roma communities and filling the gaps where member states have failed to meet their obligations to their citizens.<sup>3</sup>

We are optimistic about the emphasis placed on fighting child poverty in the new EPSR Action Plan. This optimism is, however, tapered by the target of lifting at least 5 million children out of poverty by 2030 falling short of the goal set by the SDGs. It is also a far cry from the 18 million children who are at risk of poverty and social exclusion in the EU today. We do though welcome efforts to ensure that progress is measurable through the Action Plan's revised social scoreboard and enabling member states to allocate 5% of ESF+ funds to children in poverty.

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<sup>3</sup> Eurodiaconia, Roma Child Poverty and Social Exclusion (November 2021)

We also welcome the unanimous adoption of the Council Recommendation establishing the Child Guarantee. This represents a landmark step that seeks to guarantee access to basic rights and services for children across the EU, eroding the intergenerational cycle of poverty experienced by an untenable number of children. As a partner in the EU Alliance for Investing in Children<sup>4</sup>, we are glad that years of evidence-based advocacy and negotiation has contributed to the development of a framework to break the cycle of intergenerational child poverty.

We trust that the framework provided by the Child Guarantee will not only oblige member states to address the untenable number of children at risk of poverty and social exclusion but also compel them to respond in innovative ways to challenges that demand our best efforts.

## Closing the Gender Gap

Eurodiaconia emphasised the importance of addressing the gender gap, which has only been widened by the pandemic. Women have disproportionately carried the burden throughout this crisis at home and in the workplace; of the almost 49 million care workers in the EU approximately 76% are women. The consequences of the pandemic have also seen increased job insecurity and isolation. Analysis<sup>5</sup> carried out on behalf of the European Parliament, on whether the 2019 and 2020 CSRs on gender equality were addressed in NRRPs, found that most member states have incorporated a gender equality dimension into their plans. The measures proposed are spread throughout the respective plans but can be broadly summarised in the following areas: expanding access to child and long-term care, education and training, gender budgeting, retirement and pension reforms, and labour market reforms. This spread of measures is

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<sup>4</sup> EU Alliance for Investing in Children, [EU Alliance for Investing in Children welcomes the EPSCO Council adoption of the Council Recommendation establishing the European Child Guarantee](#)

<sup>5</sup> European Parliament, [CSRs and RRP overview on gender-related issues](#) (October 2021)

welcomed because it carries the potential to effectively support women and reduce the gender gap.

In last year's analysis, we specifically highlighted the challenges faced by migrant women and the need for targeted measures enabling their full social inclusion. It is a sad reflection, however, that only a few member states make specific reference to measures designed to enable migrant women to fully participate in society.

We concur with the Council Conclusions<sup>6</sup>, published in June, on the impact of COVID-19 on gender equality, in that it acknowledges the disproportionate impact the crisis is having on women and that these effects are rooted in pre-existing structural gender inequality. However, whilst this acknowledgement is good, we cannot only be wise after the event, structural inequalities must be addressed with urgency now and we must not wait for the next crisis.

## Demographic Change

In 2020, life expectancy fell in all but a handful of countries in the EU. COVID-19 and the wider consequences of the pandemic, such as overburdened healthcare systems, declined standards of living and isolation, brought about this reversal of an otherwise positive trend across most member states. This reversal is not anticipated to last and is a reflection of the extraordinary time we are living in. It demonstrates, though, the fragile state of the societies in which we live and the systems and institutions that maintain them.

In our assessment last year, we called on Member States to ensure that long-term care was well funded through their NRRPs. This echoed the concerns of our members who experience public procurement processes which prioritise the lowest price over the highest quality. This is a view

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<sup>6</sup> [EPSCO Council Conclusions 14 June 2021](#)

shared by the European Public Service Union (EPSU), who in October called on Member States to take the opportunity to ensure their care sectors are well funded and to cease giving contracts that prioritise profit above care.

The publication of the Green Paper on Ageing was both welcome and timely, opening a policy debate on demographic changes that we need to develop responses to now. We appreciate the life-cycle approach which it adopts and recognition that increased productivity and workforce engagement is not only about economic growth but also our capacity to care for one another.

A key takeaway from the public consultation is that there is a need for collaborative state and non-state engagement and shared responsibility in responding to demographic change. At Eurodiaconia, we echo this sentiment and our members are ready to engage in meeting the challenges that we face around long-term care. However, emphasising a consistent concern, civil society organisations need to be effectively involved in policy design at European, national and local level.



# A more social European Semester 2022 to support a fair and inclusive transition

The exceptionality of the early COVID-19 crisis in 2020 might have justified, to a certain extent, a change in the European Semester process, in order to focus on the launch of the Recovery and Resilience Facility. Eurodiaconia now urges a return to a regular European Semester process and calls upon EU Institutions and Member States to ensure the involvement of different actors, including civil society, throughout the entire process.

*EU Institutions and Member States need to ensure that it is a just and inclusive transition, leaving no one behind.*

Over the last one and a half years, we have observed that the COVID-19 crisis has exacerbated existing social problems throughout the European Union. It is now crucial to ensure that the recovery will be inclusive and benefit everyone, especially the most vulnerable groups in our societies. Regarding the ambitions for a green and digital transition, Eurodiaconia and its members call on the EU Institutions and Member States to ensure that it is a just and inclusive transition, leaving no one behind.

The European Pillar of Social Rights Action Plan and the revised Social Scoreboard have been an important step towards better implementation and monitoring of social rights across the EU. The implementation of the European Pillar of Social Rights is only possible through a common effort. Member States should ensure the engagement of all relevant stakeholders at national level in implementing the Pillar through a coordination mechanism, as suggested by the European Commission.

Eurodiaconia welcomes and supports the call made by EPSCO in October 2021<sup>7</sup>, to give a strong role to the European Pillar of Social Rights in the future European Semester. As we have already argued in past publications, mainstreaming the European Pillar of Social Rights in the European Semester is the best way to ensure that social policies and investments are at the heart of the Semester.<sup>8</sup> In our view, mainstreaming the European Pillar of Social Rights includes, for example, the systematic qualitative – and where possible quantitative – analysis of every Pillar principle in European Semester documents such as the ASGS and the Country Reports.

Based on our continuous exchange with our members, we have identified five key social issues, which should receive particular attention during the upcoming European Semester cycle.

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<sup>7</sup> Council of the European Union, [Main results of the EPSCO 15 October 2021](#)

<sup>8</sup> Eurodiaconia, [Promoting shared prosperity in the Semester \(October 2018\)](#)

## Strengthening social services for a more resilient society

As the COVID-19 crisis has exacerbated existing social challenges and lead to an increase of people facing personal hardship, social services have demonstrated their crucial role in supporting people in need and working towards a more cohesive and resilient society. Indeed, the implementation of the European Pillar of Social Rights and the achievement of its 2030 Headline Targets<sup>9</sup>, is not possible without well-functioning and accessible high-quality social services.

Despite this central role of social services, they are widely underfunded, which dramatically affects the quality of the services they can provide. Since the COVID-19 crisis began, our members providing social services have observed steep increases of beneficiaries in all areas, due to higher levels of unemployment, a rise in poverty and, therefore, increasing inequality.<sup>10</sup> However, in most cases funding has not increased, making it difficult to provide the targeted and person-centred support that people, especially the most vulnerable, need.

In the Porto declaration<sup>11</sup>, Member States underlined their determination to fight social exclusion and tackle poverty, as well as reducing inequalities. Achieving these goals depends to a large degree on the quality of social services which can be provided to the people needing them. The successful social inclusion of vulnerable groups such as the long-term unemployed, the homeless, persons with disabilities, migrants and Roma, cannot be achieved without social services that address individual needs.

Therefore, the European Commission should urge Member States to invest more in accessible and high-quality social services. It is more crucial than ever for Social Services to be sufficiently funded. They should be a priority

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<sup>9</sup> [The European Pillar of Social Rights Action Plan](#)

<sup>10</sup> Eurodiaconia, [Second Report on the Impact of COVID-19 on Diaconal Services](#) (December 2020)

<sup>11</sup> [Porto Declaration](#) (March 2021)

investment in Europe, not an afterthought. Moreover, social services occupy a front-line role in ensuring people's well-being and supporting them to be equal participants in society. This has been demonstrated during the pandemic; while other sectors shut down, social service providers continued providing services. As such, social services should be structured in a way that benefits everyone, especially the most vulnerable groups. Furthermore, social services are at their most efficient when they offer targeted and person-centred approaches. Where necessary this needs to include active outreach activities. Furthermore, staff need to be trained in order to address unconscious biases and discriminatory attitudes towards certain groups.

While digitalisation of social services can bring great benefits, it must be ensured that everyone has access to those services, including persons with no or low digital literacy or access to digital tools. Otherwise, the elderly, but also disadvantaged groups such as the Roma, migrants or the homeless, risk being further excluded.



## Supporting long-term care services

Access to affordable and quality long-term care services, in particular home and community-based care has been defined as a social right in the European Pillar of Social Rights (principle 18). In addition, throughout the COVID-19 pandemic, health and long-term care services have received increased attention and the call to improve the working conditions of those workers who have proven essential, has gained weight. However, little has happened during these last 18 months, especially for the long-term care sector, neither on the aspect of adequacy of coverage, nor as regards quality of service provision and employment conditions.

The EU faces an ageing population with increasing care needs. Not for profit care service providers, such as our members can play a crucial role in filling the needs of an ageing population by offering person-centred care services. The sector, however, is chronically underfunded and the COVID-19 pandemic has highlighted pre-existing structural problems. The acute shortage of staff, lack of experienced and qualified caregivers, poor working conditions, lack of personal protective equipment, long hours of work, low wages, poor integration of different aspects of care and low uptake of digital solutions, have all been underlined by the pandemic. These are problems that cannot be overlooked any longer.<sup>12</sup>

It is crucial that Member States invest in adequate coverage of high-quality long-term care services, which are accessible to everyone. To achieve this, the European Commission should encourage Member States to adopt innovative solutions, including in-depth restructuring of national care systems, as has been proposed, for example, by our member Diakonie Austria.<sup>13</sup> They suggest a person-centred approach, allowing for better responses to real care needs in a cost-effective way.

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<sup>12</sup> [Eurodiaconia, Impact of COVID-19 on Diaconal Services \(September 2020\)](#)

<sup>13</sup> Diakonie Austria, [Diakonie-Modell Seniorenarbeit innovativ gestalten](#) (October 2020)

Member States should use the RRF to invest in long-term care services and their reform. In addition, they should implement measures to allow for the development of new, sustainable and sufficient funding mechanisms, in particular for not-for-profit care service providers. Funding needs to allow for the provision of high-quality services and fair wages, as defined in the Voluntary European Quality Framework for Social Services.<sup>14</sup> Therefore, public procurement mechanisms need to better take quality criteria into account and refrain from systematically awarding funding to the cheapest offer. The choice of provider is still predominantly based on the lowest price in most Member States, the quality criteria is hugely overlooked. This makes it difficult for not-for-profit long-term providers to participate in tenders, which plays in favour of for-profit service providers. Sufficient funding should be made accessible for the development of community-based, person-centred and empowering care services. Coverage of long-term care services must meet the needs of the population and be accessible to lower-income persons. Long-term care should not be restricted to the wealthy or to those with the highest care needs.

Investing in quality care services is also an opportunity to create jobs. However, attention needs to be paid to sufficiently funding those services, in order to enable service providers to offer quality jobs with decent wages and working conditions. The EU legal framework for the provision of services must also support the delivery of high-quality long-term care by aiding the recruitment and retention of quality qualified staff in the care sector.

The European Commission needs to ensure that these issues are addressed in its upcoming European Care Strategy. In the meantime, the 2022 Semester should strongly encourage Member States through Country Specific Recommendations to increase their social investment in long-term care services.

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<sup>14</sup> Social Protection Committee, [A Voluntary European Quality Framework for Social Services](#) (Oct. 2010)

## Building on the Child Guarantee

Before the pandemic, there were over 18 million children in the EU growing up in poverty or facing social exclusion. The risk of poverty is higher for children from jobless households, underemployed parents, parents suffering from in-work poverty, children with disabilities, and children of ethnic minorities (such as Roma children) or with a migrant background.<sup>15</sup> According to the European Commission, 80% of Roma children are at risk of poverty or social exclusion.<sup>16</sup>

The COVID-19 pandemic brought a complex array of challenges and repercussions, exacerbating the critical situation of those affected by severe material deprivation, especially children.<sup>17</sup> For children from vulnerable households, the COVID-19 crisis has meant a lost year in education, as many of them struggled to follow online-classes due to a lack of digital equipment and, crucially, the necessary support and learning environment. According to FRA, Roma children have been disproportionately affected by the crisis and school closures.<sup>18</sup> In this context, the European Child Guarantee has been agreed on at a moment in which ambitious and comprehensive action protecting children is urgently needed.

Eurodiaconia regrets the lack of ambition of the 2030 headline target of the EPSR Action Plan of lifting at least 5 million children out of poverty. Nevertheless, achieving this target needs decisive action and a quick implementation of the Child Guarantee.

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<sup>15</sup> European Union Agency for Fundamental Rights, [Combating child poverty: an issue of fundamental rights](#), 2018

<sup>16</sup> European Commission, [European Child Guarantee – Fact Sheet](#) (March 2021)

<sup>17</sup> Eurodiaconia, [Briefing for members on the Child Guarantee](#) (October 2021)

<sup>18</sup> European Union Agency for Fundamental Rights, [Coronavirus pandemic in the EU – impact on Roma and Travellers](#) (September 2020)

Throughout the 2022 European Semester process, the European Commission needs to ensure that Member States deliver on the Child Guarantee, with ambitious National Action Plans and child poverty reduction targets, as well as social investment and policy measures targeted at children, especially those most at risk of poverty. This includes ensuring that measures reach all children, including those from vulnerable groups, such as Roma or migrants. The development of National Action Plans should be done in close consultation with children – especially those in vulnerable situations, their parents and civil society organisations working for inclusion and against poverty at local, regional and national levels.

It must be noted that, for all categories of children in need, identified by the Child Guarantee Recommendation, discrimination is an important determinant of wellbeing. It leads to both emotional distress and isolation, as well as impeding effective access to income and services. Stigmatisation based on ethnic or racial origin, disability, socio-economic background, and other criteria, significantly contributes to the non-take-up of benefits and services by those who most need them. In ensuring an enabling framework for the implementation of Child Guarantee, Member States will need to take a bold stance against all forms of discrimination, on all grounds, including intersectional discrimination, and concerning all groups of children.

Overall, the situation of children living in poverty cannot be considered separately from their parents and families. In addition to targeted measures for children, the various reasons for which families are experiencing poverty need to be addressed in a holistic way.

## Supporting the Youth (NEETS)

Worldwide young people have been disproportionately affected by the COVID crisis, with school closures and disruption of the labour market, particularly affecting those in technical and vocational training, making it increasingly challenging for them to find work. Young people in the EU also have to cope with **the** lowest levels of mental well-being and high levels of loneliness.<sup>19</sup> According to a study conducted by ILO, in May 2020 one in six young people had stopped working since the start of the COVID-19 crisis and a quarter of those who remained in employment faced reduced working hours.<sup>20</sup> Achieving the EPSR Action Plan 2030 headline target of having at least 78% of the working-age population in employment, as well as the poverty reduction target, needs decisive and targeted action to support the young and particularly those who are neither in employment nor education or training (NEETs).

Within the EU there are big differences in youth unemployment, with Spain, Italy and Greece most affected by youth unemployment since the last economic crisis of 2008.<sup>21</sup> While the rate of young NEETs had fallen to 12.6% by 2019, it increased, significantly, to 13.7% in 2020, as a result of the COVID-19 crisis.<sup>22</sup> The European Commission and Member States now need to take effective measures to support those young people in particular.

It is encouraging that the reinforced Youth Guarantee targets a wider range of young people, now up to the age of 30 instead of 25 and has the explicit ambition of reaching out to those hardest to reach. Youth organisations, however, report that the quality of Youth Guarantee offers is often very low

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<sup>19</sup> Eurofound, [NEETs \(November 2021\)](#)

<sup>20</sup> International Labour Organisation, [ILO Monitor: COVID-19 and the world of work. Fourth edition \(May 2020\)](#)

<sup>21</sup> Eurostat, [Youth unemployment - Statistics Explained](#)

<sup>22</sup> Eurofound, [NEETs \(November 2021\)](#)

and risks undermining the success of the programme. While we welcome the launch of the ALMA programme offering young NEETs work experience abroad, there needs to be much attention paid to reaching out to those that are the most difficult to reach, including young people with a migrant background or Roma. Furthermore, there need to be safeguards to ensure that ALMA is not supporting unpaid internships but offering good quality and paid work experience.

The European Commission needs to ensure that Member States are implementing the reinforced Youth Guarantee and include specific measures to reach out to the hardest to reach, long-term NEETs who often face structural problems, including discrimination, in entering the labour market. Furthermore, binding quality standards at EU level should be developed, in order to make the reinforced Youth Guarantee a success. Overall, the aspect of quality training and employment needs to be closely monitored, especially as many young people engage in precarious forms of work, such as platform work.

Another key challenge is to ensure that young people, especially those about to enter the labour market, have the right skills to thrive in a digital and green economy. They will need the most up-to-date technical skills to take advantage of emerging opportunities in a changing landscape. In addition, transversal skills will be crucial to continue learning, adapt to change and deal with uncertainty during labour market transitions. The COVID-19 crisis, along with the digital and green transformation, highlight the important role of continuing vocational education as a key response to structural changes in the labour market.

Not-for-profit social service providers, such as our member organisations, have the tools to best address NEETs. Member States need to provide those organisations, at the local level, sufficient and stable funding in order to reach out and support young people on their way to social and work inclusion.

## Addressing poverty in all its forms

The COVID-19 crisis has been disproportionately affecting the most vulnerable of our societies, such as the homeless, the indebted, migrants and other minorities, low-income households and workers in the platform economy, to name a few. It has pushed many households to exhaust their last reserves, if they had any, as shown by a study recently published by our member, Diakonie Deutschland, revealing a significant increase in people turning to their debt counselling services.<sup>23</sup>

Precarious workers are often ineligible for unemployment benefits or income support and many of them face the same “work or lose your income” dilemma as informal economy workers.<sup>24</sup> Such precarity not only affects the worker but also any family dependents, including children, therefore opening the gates to a greater social crisis.

According to FEANTSA, the number of homeless people in the EU has increased by more than 70% in recent years.<sup>25</sup> This figure is likely to rise as the consequences of the COVID-19 crisis begin to unfold.<sup>26</sup> Vulnerable households are threatened by the phasing-out of temporary moratoriums on mortgage loans repayment, that many member states have implemented because of COVID-19, which is likely to start at some point in 2022. This risks a severe impact on distressed households and could lead to an unprecedented peak of homelessness in Europe.<sup>27</sup>

At the same time, during the COVID-19 crisis, many Member States have put in place extraordinary initiatives to simplify access to accommodation, temporarily diminishing the number of people experiencing homelessness

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<sup>23</sup> Diakonie Deutschland, [Erhöhte Nachfrage nach Schuldnerberatung wegen der Pandemie \(Oct. 2021\)](#)

<sup>24</sup> International Labour Organisation, [COVID-19: Protecting workers in the workplace: The impact of COVID-19 on inequalities in the world of work \(March 2020\)](#)

<sup>25</sup> FEANTSA, [Investment in affordable and social housing solutions](#) (January 2021)

<sup>26</sup> Eurodiaconia, [Porto Social Summit Key Moment to #EndHomelessness \(April 2021\)](#)

<sup>27</sup> Eurodiaconia, [Open letter concerning European commitment to end homelessness at the Porto Social Summit \(April 2021\)](#)

and demonstrating that, if there is enough political will, homelessness can be tackled. In this context, stronger political momentum has arisen for a coordinated response to homelessness in the EU. In June 2021, through the signature of the Lisbon Declaration on Combatting Homelessness, Member States have declared their joint ambition to end homelessness by 2030.<sup>28</sup>

Rising energy prices risk significantly increasing the number of households affected by energy poverty. Targeted support is needed in the short term to ensure that no one is sitting in the cold and dark this winter. The European Commission should also encourage Member States to put in place long-term measures to reduce the energy consumption of low-income households. These measures would include improving the quality of (social) housing through better insulation, offering support to households in purchasing energy efficient white goods and upgrading inefficient heating units.

In order to achieve the EPSR Action Plan headline target of lifting at least 15 million people out of poverty, it is essential to work on the implementation of all principles of the European Pillar of Social Rights. In particular, the European Commission should ensure, throughout the European Semester process, that Member States develop adequate minimum income schemes, which effectively prevent people from living in poverty. Furthermore, there needs to be rapid and increased efforts to reduce homelessness through targeted measures, such as housing first approaches, in order to reach the target of ending homelessness by 2030.

Social Service providers play a crucial role in reaching out to all kinds of vulnerable persons and providing targeted support. This important work can only be done if enough funding is guaranteed; this social investment needs to be a clear priority of a more social European Semester process.

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<sup>28</sup> [Lisbon Declaration on the European Platform on Combatting Homelessness \(June 2021\)](#)

## Conclusion



The past two years have been deeply marked by the COVID-19 crisis and all its socio-economic implications. Existing inequalities and vulnerabilities have been exacerbated and despite all the efforts to cushion the negative impacts, the number of people needing support is still increasing.

Recovery will be a long road and it is now crucial that the first positive steps of reacting to the crisis, through investments instead of austerity, goes on. It is crucial to ensure that these investments benefit the most vulnerable in our societies, taking them on board in this recovery and transition process. The European Commission plays a key role in monitoring the implementation of the NRRPs, which have been presented by Member States, and it must ensure that Member States now deliver on expectations.

The activation of the general escape clause has allowed Member States to increase their spending and to support people, as well as the economy. Ending its activation might risk a return to austerity measures, which would have a devastating effect on the most vulnerable groups in society. The review process on European Economic Governance needs to find reasonable alternatives, which will safeguard social investment and not jeopardize the progress made since the last crisis, as well as any positive effects of current investments.

We welcome, very much, the impetus which the European Pillar of Social Rights has been given through its Action Plan and the revised social scoreboard. The Porto Declaration, with its commitment to fighting social exclusion and tackling poverty, has also created enhanced expectations. Making the EPSR a reality will depend, ultimately, on Member States' ability to make social investments. The European Commission and Member States need to follow-up with concrete legislation and reforms, to prove that the EPSR is more than just a set of principles. Its implementation needs to have a visible impact on lives and promote economic and social cohesion in the EU.

While the 2021 European Semester was marked by a lack of civil society involvement, we call on the European Commission to ensure that the 2022 Semester is accompanied by meaningful civil society involvement at EU and national levels. Effective reform needs the involvement of civil society; in particular, social services providers should be consulted, as they are at the forefront of the implementation of the European Pillar of Social Rights. Through their services they are in direct contact with beneficiaries, many of whom belong to the most vulnerable groups in our societies, and they can therefore provide evidence-based guidance on the necessary measures.

Based on our networks' feedback, we consider that the European Commission should focus throughout the 2022 European Semester cycle on the five key social priorities presented in this publication. Particular attention should be given to those topics in the Country Reports, as well as in the development of Country Specific Recommendations.



# OUR SOCIAL SEMESTER PRIORITIES

**Strengthening of social services as key partners in the recovery from the COVID-19 crisis and implementation of the EPSR.** Social Services need to be well-funded and well-staffed in order to being able to provide targeted and person centred support to vulnerable people in their social inclusion process

**Providing targeted support to young people, especially NEETs.** Ensure that the reinforced Youth Guarantee reaches out to those hardest to reach and provides quality jobs, which allow for long-term inclusion in the labour market.

**Investing in long-term care services.** Adequate coverage of high-quality long-term care services is needed to provide every person with the care they need. Funding needs to be sufficient to allow for decent work conditions and adequate pay of care workers.

**Reducing child poverty by building on the Child Guarantee.** National Action Plans need to be ambitious and address the most vulnerable groups, especially migrant and Roma children.

**Fighting poverty, especially its most extreme forms, such as homelessness and energy poverty.** Ensure that Member States implement EU level recommendations, such as adequate minimum income, addressing homelessness and provide immediate and structural support to alleviate the risk of energy poverty.



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