SOCIALISING THE EUROPEAN SEMESTER

Analysis of the 2019 European Semester process & recommendations for the 2020 cycle
Social Platform is the leading alliance uniting networks of civil society organisations advocating for social justice and participatory democracy in Europe. With a membership of 49 pan-European networks, Social Platform campaigns to ensure that EU policies are developed in partnership with the people they affect, respecting fundamental rights, promoting solidarity and improving lives.

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Executive summary

Since the proclamation of the European Pillar of Social Rights (Social Pillar), Social Platform has been strongly working on how to support its implementation through legislation, socio-economic governance - including the European Semester process - funding and civil dialogue.

This analysis aims to give an overview of the views of Social Platform on the 2019 European Semester process, with an eye towards improving the upcoming 2020 cycle.

It therefore includes our thoughts on possible reforms of the European Semester process in the future, with regards to its thematic priorities and its design.

Concerning its thematic priorities, we argue for better balancing economic and social priorities by creating a European Semester that strikes a better balance between sustainable inclusive growth and wellbeing. Regarding, the design, we highlight certain shortcomings in the current process, such as inconsistencies in addressing topics throughout the various documents published within and between cycles as well as within and between countries.

In our analysis of the 2019 Semester process, we follow the structure of the virtuous triangle of boosting investment, structural reforms and responsible fiscal policies.

First, we look at the role that investment played in the 2019 Semester cycle and argue for strengthening the importance of public social investment in the European Semester process in a regular fashion going beyond this year’s focus.

Secondly, we review the 2019 cycle from the perspective of structural reforms, following the structure of the Social Pillar to highlight how a stronger link between the Social Pillar and the Semester process as one of the means to implement the Social Pillar can be created. Doing so, we are making recommendations for the next cycle principle by principle.

Thirdly, we briefly analyse the coverage of responsible fiscal and tax policies in the 2019 country-specific recommendations and argue for more efforts within the Semester process in the fight against tax evasion and tax avoidance, comprehensive and comprehensive tax reform as well as moving tax burdens away from labour and towards wealth.

In the conclusions, we contextualise the reforms of the European Semester process that we believe are necessary and link them to the objectives of the future European Commission and highlight how this is a very opportune moment for reforms of the process.
Introduction

Who we are

Social Platform is the network of 49 civil society organisations fighting for social justice and participatory democracy in Europe. Our mission is to advocate for policies that bring social progress to all in the European Union. We apply a human-rights approach to all of our work to fight for a socially just and cohesive Europe that promotes equality, diversity, solidarity, democracy and human dignity.

Our work on the implementation of the European Pillar of Social Rights

The core of Social Platform’s work is advocating for an ambitious implementation of the Social Pillar, which aims to create new social rights and standards across the EU. It is an important commitment by EU institutions and EU Member States alike to improve people’s working and living conditions in Europe, a commitment we want to see become a reality. However, while we have seen some progress with regards to its implementation, much more remains to be done.

Indeed, the success of the Social Pillar is reliant on its ambitious agenda being reinforced with the full use of all existing and potential implementation tools available at EU and national levels. In our position paper,¹ we outline how this can be achieved through a comprehensive implementation approach that encompasses:

- EU legislation to establish minimum social standards & policy instruments to further the impact of the Social Pillar in Member States;
- Mainstreaming the principles of the Social Pillar in the European Semester, rebalancing social and economic priorities;
- Investment in people, both at EU and national level;
- Meaningful involvement of civil society in the implementation of the Social Pillar, at EU and national level.

To fully support the implementation of the Social Pillar, we believe that the European Semester process needs to be reformed and strengthened, especially with regards to better balancing its economic and social priorities.

1. Our vision of European Semester reform to support a comprehensive implementation of the Social Pillar and the Europe 2020 strategy

The European Semester process was set up as a socio-economic governance mechanism to support Member States in coordinating their economic and social policies, which is crucial to ensure success of the Europe 2020 strategy. Since the proclamation of the Social Pillar, the Semester has also been an important mechanism that supports the principles of the Social Pillar becoming a reality across the EU.

To support the continuous and comprehensive implementation of the Europe 2020 strategy - including its potential follow-up strategy post 2020 - and of the Social Pillar, we need the right priorities. These need to be reflected in the title of the European Semester process as well as its design.

1.1 A future European Semester with wellbeing at its core

The European Semester process was conceived as, and still primarily is, an annual coordination cycle of macroeconomic policies. Therefore, the wording and thematic focus chosen throughout the European Semester documents describe investment in social policy and social policy reform primarily as a tool for achieving growth in macroeconomic terms, even if it is often worded as “inclusive growth”, neglecting many aspects that are crucial to improving the wellbeing of people. Some progress has been achieved in this framework with regards to increasing its focus on social policy reforms, but imbalances remain.

We believe that the priorities of the European Semester process should reflect the will of the EU institutions and the EU Member States to strike a proper balance between sustainable economic growth that must be inclusive, and the wellbeing of its people. Only then will we have the potential to fully implement the Social Pillar and achieve the European Commission’s objective to create an economy that works for people.

1.2 Improving the design of the European Semester process

Currently, the European Semester process is an annual cycle. However, implementing the recommended reforms usually takes longer than the 12 to 18 months that the cycle foresees. This often leads to repetitions of recommendations by the European Commission. We question whether changing the European Semester to a biannual process with a longer list of recommendations could be a solution to this issue.

The current design of the European Semester process and its different documents also leads to many important

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topics not being consistently addressed throughout the cycle. For instance, many social policy topics appear in the longer Joint Employment Report and the country reports but are not picked up in the shorter Annual Growth Survey or the preambles to the country-specific recommendations, let alone the actual recommendations. **We believe that it is crucial that social policies appear consistently throughout the entire Semester process, on an equal basis with macroeconomic and fiscal considerations.**

We would like to highlight several issues we see with the current design of the country-specific recommendations (CSRs). The actual recommendations only make up a very short part of the document. A lot of challenges, including many social ones are only outlined in the preambles and then not picked up in the actual recommendations. However, the practice of providing “indirect” recommendations within the preambles is incoherent, especially as the main objective of the preambles should be to merely provide the context for the recommendations. Therefore, we are concerned that challenges or specific disadvantaged population groups which are only covered in the preambles might be neglected when implementing policy reforms. Recommendations continue to be grouped in clusters, which we understand as an effort to ensure that important elements are not left out of the recommendations. We however see a danger that implementation rates will not accurately reflect the situation in the countries. Indeed, with clustered recommendations, it will be easily possible to claim that limited/some/substantial progress has been made with regards to implementing a given recommendations, hiding the fact that some priorities addressed in a recommendation may not have been address at all.  

Furthermore, as was the case in previous years, there was a reduced number of recommendations for each country. While we understand that it is not possible for each country to receive a recommendation on each relevant policy area, the very limited number of CSRs entails the risk of neglecting reforms that are needed to reduce inequalities, which is an essential objective of the Europe 2020 strategy, the Agenda 2030, the Social Pillar and the Semester process. In general, but especially if the number of CSRs remains so limited, at least the degree of implementation must rise to ensure that the Semester process indeed has an impact.

We also have concerns involving the current use of Social scoreboard data to decide which countries receive recommendations in which policy areas. Indeed, the Social scoreboard and its indicators assess the performance of Member States in various social policy areas. Usually, Member States receive recommendations in areas in which they are performing the worst based on Social scoreboard data. However, there have been inconsistencies, where the Social

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4 Idem.
Scoreboard indicated that a country is a worst performer in a policy area, but where the country nevertheless did not receive a recommendation on this topic. It is unclear why and questionable that countries performing worst on a specific issue did not receive recommendations addressing these matters. Additionally, issues that are not highlighted as among the most problematic ones in a country might nevertheless require significant reforms, and we see a risk of those being overlooked if they are not part of the country-specific recommendations.

Finally, we often see inconsistencies between recommendations received by the same country. For example, in the 2019 recommendation for Estonia we saw one recommendation asking Estonia to ensure that the nominal growth rate of net primary government expenditure does not exceed a certain GDP percentage, while another one called for improving the adequacy of the social safety net and access to affordable and integrated social services. This second recommendation however requires increased spending (or cuts in other sectors, which could be detrimental). Better coordination between recommendations is needed to ensure that they are internally coherent.

Some inconsistencies derive from the format of the public accountability rules which, generally speaking, consider public social investment on the same footing as other running expenses, therefore hindering a more forward-looking approach to considering public social investment. Indeed, Member States are obliged to respect the rules laid down in the Stability and Growth pact that do not differentiate between cuts to social protection and services and cuts to other expenditures. This system fails to take into account increasing empirical evidence of the economic and social returns of certain kinds of public expenditure, particularly: early childhood education and care; primary and secondary education; training and active labour market policies; and affordable and social housing.

We are concerned by these inconsistencies within the process and suggest a reflection about the design of the various stages of the process and the related documents to identify solutions to this issue.

We argue that recommendations must always take quality and financial sustainability equally into consideration. Highlighting the need to ensure quality should be the default in all recommendations, this could at times be done within existing recommendations.

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5 For instance, in 2017 Estonia did not receive a CSR addressing health provision or a mention of focusing investment on healthcare even though it has the lowest score regarding unmet healthcare needs in the EU (15.3% compared to 2.6% as the EU average, according to 2016 Social Scoreboard data on the indicator “Self-reported unmet need for medical care by sex”). Despite the situation not having constantly improved since, Estonia has not received recommendations on these topics in the following years either.


by adding terms such as adequate, accessible, affordable, available, community-based, etc.

1.3 Stronger involvement of stakeholders in the European Semester process

We believe that there is a need for improved cooperation and dialogue of EU institutions and Member State’s governments with parliaments, social partners, and CSOs.

As the 2019 Annual Growth Survey highlights: “Member States should ensure that social partners and national parliaments are fully involved in the reform process. Their involvement, along with a broader engagement with civil society, is fundamental to improving ownership and legitimacy of reforms and bringing about better socio-economic outcomes.”

We agree that ensuring the full involvement of national parliaments in the Semester process could support the ownership and legitimacy of reforms recommended in this framework, not only at national, but also at regional and local level. This is especially important, as this is where the responsibility for reform design and implementation of the country-specific recommendations lies. Considering that CSR implementation rates vary strongly and are insufficient in some policy areas, this could have the potential to improve the functioning of the Semester process and indeed bring about better socio-economic outcomes.

Furthermore, national parliaments are often more easily accessible for CSOs at national level which would then indirectly allow for better involvement of these actors as well.

We also believe that the European Parliament should be involved in the European Semester cycle and we welcome that European Commission president-elect Ursula von der Leyen has included this obligation in the mission letter for Executive Vice-President Valdis Dombrovskis. However, his mission to include the European Parliament remains quite vague in the letter, stating that he will “ensure the Commission comes to the European Parliament before each key stage of the European Semester cycle.”

The 2019 CSRs contained 3 recommendations to improve social dialogue. We welcome this, but we see a strong potential to continue increasing the involvement of social partners and to strengthen references to their participation in the country-specific recommendations in relation to their field of work.

However, when it comes to the involvement of organised civil society, much more needs to be done to set up systematic and meaningful participation in all countries.

CSOs bring together local, regional and national members working with and representing the interests of people and organisations, including those who are traditionally underrepresented in decision-making. Indeed, these actors are key for the implementation of reforms on

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the ground. For this reason, it is of paramount importance that CSOs are involved at all stages of the Semester process.

However, currently, CSOs are not or only insufficiently involved in the European Semester process itself as well as in the influencing of the subsequent reform recommendations. This is due to a variety of barriers. First, decision-makers in many Member States lack the political will or neglect to involve CSOs as stakeholders in a regular, structured and meaningful way in these processes. Additionally, they often do not communicate in a transparent way the identity and role of different decision-makers or how CSOs can regularly and meaningfully cooperate with them. With regards to the European Semester, this is especially problematic, considering the complexity of the process, the speed at which different steps within this process take place and the widespread lack of awareness about the Semester process and its importance at national levels.

Additionally, many CSOs lack the capacity to influence the European Semester process. Member States should generally strengthen the capacity of organised civil society, including by ensuring a favourable regulatory framework and adequate funding for CSOs at all levels to enable them to be regularly and meaningfully involved in political processes.

In addition to such efforts at national level, the EU should also directly encourage the involvement of civil society in the European Semester process, for instance through creating clear guidelines for Member States outlining a process of regular structured consultation and meaningful stakeholder involvement at all levels. The EU should also try to encourage this by regularly calling for better involvement of CSOs in its various Semester documents, especially the country-specific recommendations. Unfortunately, this year’s recommendations did contain only a single indirect call to Member States improve civil society involvement in the Semester process. Only the recommendation to Hungary called for “engagement with other stakeholders”, without specifically mentioning CSOs, despite dire issues of shrinking civil society space in Hungary.

At an EU level, the recent Strategic Dialogues at regular intervals during the cycle have been a productive step forward. We also welcome the regular opportunity Social Platform and several of our member organisations have been having to present our views on the Semester process to the Social Protection Committee and at times the Employment Committee. However, we believe that an increased dialogue between civil society organisations and all European Commission DG’s, Council configurations and advisory committees, including those who working on economic policy (DG ECFIN, ECOFIN and Economic and Financial Committee (EFC)) would improve the outcome of the European Semester process. The upcoming European Commission has put forward the goal of creating an economy that works for people. We can only achieve this objective if work on all related processes, including the European Semester, fully involves all stakeholders at all levels.

At the same time, there is a lack of both quantitative and qualitative data about the involvement of European and national CSOs in the European Semester process. This data would be crucial for
decision-makers to understand which barriers CSOs encounter when trying to influence the European Semester process in order to remedy them. Through our work on the European Semester process with our European member organisations, and indirectly their national members, we are aware of many barriers to an effective participation of CSOs at both EU and national levels that we listed above. However, more research is needed to gain insights into the involvement of CSOs in the European Semester process and obstacles preventing from doing so to work towards removing these barriers.
2. Analysis of the 2019 Semester process with recommendations for the 2020 cycle

In this chapter, we follow the structure of the “virtuous triangle” that involves boosting investment, structural reforms and responsible fiscal policies.

We understand the added value of the virtuous triangle structure. However, we believe that it is still too focused on economic policies. Indeed, currently only the structural reform and, to a lesser degree, the boosting investment chapters contain social considerations. **We believe that it is crucial that social considerations are better balanced with purely economic and fiscal ones in all stages of the European Semester cycle.**

2.1 Boosting investment

We fully agree that boosting investment, especially public social investment, is an important priority, as it pays off both socially and economically. It helps create more social justice: it has the potential to contribute to both social and economic goals such as the provision of affordable and social housing, the fight against unemployment, the integration of refugees as well as the promotion of social inclusion for all.\(^{10}\) It is also of utmost importance to fully exploit the impact of public investment through efficient public procurement. The promotion of social clauses and reserved contracts are important measures in this regard. The European Semester process is the perfect tool to underline the importance of these measures.

Furthermore, there are inherent economic returns and advantages to social investments. Economies with a higher social investment levels are more resilient to shocks and perform better in crises.\(^ {11} \) Indeed, well-functioning and adequately resourced social protection systems can function as automatic stabilisers.\(^ {12} \) Moreover, improved social cohesion prevents the tremendous economic costs of inequalities in the long run. In addition, investment in access to employment for the long-term unemployed and those in need of reasonable accommodation at the workplace also increase productive capacity, which boosts growth rates.\(^ {13} \)

**For these reasons, we argue for increasing public social investments.** This is especially important in present times. Not only did the recent financial and economic crisis create a social crisis that resulted in sharply rising socioeconomic inequalities across the EU. It also led to dropping investment rates in EU countries. Despite a gradual recovery in the last

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11 Idem.


couple of years, they still lag behind their long-term averages.\textsuperscript{14}

We therefore welcomed the focus given to increasing investment throughout the 2019 Semester cycle. Indeed, for the first time the country reports included a dedicated annex which identified possible priority investments for EU Cohesion Policy funding in the period 2021-2027. We also welcomed the stronger focus on investment in the 2019 recommendations. \textbf{At the same time, we see the need to improve the balance within investment priorities which often focus too strongly on infrastructure. While these are important areas, we believe that social priorities and the need to invest in them should have been highlighted more strongly in recommendations regarding investment priorities through the structural and investment funds.} We feel that the investment recommendations strongly focused on supporting competitiveness and growth, rather than aiming at ensuring that this growth is inclusive, including by improving social standards and rights, such as social inclusion and protection. Indeed, within the investment-focused recommendations, only Greece received a recommendation that its investment-related economic activity must specifically take into account the need to ensure social inclusion.\textsuperscript{15}

However, improving social standards and rights is the objective of the Social Pillar, the implementation of which the European Semester process is supposed to support. \textbf{We therefore call to continue this focus in a regular and strengthened fashion, going beyond the annex on investment areas for EU Cohesion Policy Funding and focusing more strongly on social investment that helps improving social rights and standards. Furthermore, we consider it a very good practice that a certain percentage of the total ESF resources in each Member State must be allocated to promoting social inclusion, combating poverty and discrimination. This would help make progress towards achieving the Europe 2020 poverty reduction headline target, which is still a long way off.} We hope that this practice will continue with the future ESF+ fund and that this percentage (currently at least 20\%) will be increased to at least 30\%. Indeed, it is crucial to continue prioritising social objectives with clear earmarking of funding, which increases public social investment.


2.2 Structural reforms

Advocacy for structural reforms in the social field is a core part of our advocacy work and that of our European and their national member organisations.

As highlighted above, while we have seen some progress in increasing the focus on social policy reform within the Semester process, imbalances and inconsistencies between economic, fiscal and social priorities remain. Therefore, we see a need to continue strengthening the place of social policy reforms in the Semester process.

We believe that further strengthening the mainstreaming of the Social Pillar and its principles throughout the Semester process can be a useful tool to achieve this. Indeed, we have argued regularly that the Social Pillar should be mainstreamed more strongly throughout the European Semester process, rather than just being briefly referenced in the relevant Semester documents.

To apply this approach, we follow the structure of the sections and principles of the Social Pillar throughout this sub-chapter. We slightly modify the titles of the Social Pillar sections and of one Pillar principle to make them fit the way in which we choose to address our various topics and to be inclusive of all topics and target groups. Additionally, we only cover the Social Pillar principles to which Social Platform and its members had content to contribute.

As highlighted above, we understand that not every country can receive a recommendation on every policy area for every target group in the current set up of the European Semester process. We will nevertheless highlight existing lack of coverage of various topics and target groups in different stages of the Semester to hopefully help steer the priorities in the next Semester cycle.

Equal opportunities

Education, training, life-long learning & skills development

We welcome that in the last Semester cycle, the topic of education was included in all 28 CSR documents, 20 of them receiving an actual recommendation. The 2019 recommendations describe education primarily in connection with the labour market, looking at education
reform to ensure better labour market relevance of education and vocational education and training and focusing strongly on skills development and employability. These elements are important due to their capacity to be a catalyst for better labour market participation and they can have an important preventative effect. However, we feel that a more holistic perspective on education that goes beyond labour market participation and supports personal development and wellbeing as well as social inclusion is missing.16

Education, training, life-long learning & skills development, are especially crucial for groups of disadvantaged persons who on average face higher levels of unemployment, poverty and social exclusion. We welcome seeing more references to making education more inclusive for these groups, but there is a lack of details (including in the country reports) on how inclusive education can be achieved.17 At the same time, we still feel that specific situation and barriers different groups of disadvantaged persons face to accessing education & training often are not sufficiently addressed. This is especially the case in CSRs which do so at best in the preambles but rarely in the main recommendations. Moreover, in the 2019 recommendations, they are often at best grouped together in the category of disadvantaged persons rather than looking at their specific situations, with a few welcome exceptions for Roma children.

Additionally, we regret that while the influence of socio-economic background is recognised in several preambles as one of the most important factors in educational outcomes, not a single recommendation demands to address this issue when reforming education systems.18

Gender equality

The European Institute for Gender Equality (EIGE) describes the Autumn Package as “an opportunity for a gender-responsive analysis of priorities and policy guidance for growth and investment that the Commission offers to Member States.19 However, the Annual Growth

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Surveys in the last four years have addressed the issue of gender equality either only briefly - mainly from the perspective of increasing women’s labour force participation and reducing the gender pay gap - or not at all.\textsuperscript{20}

This was also visible in the 2019 recommendations. EIGE described the recommendations as “an ideal opportunity to provide guidance to Member States on implementing gender mainstreaming and gender budgeting”\textsuperscript{21}. However, this opportunity has not been sufficiently seized. Even though gender inequality exists across the EU, for 11 countries, there is no reference to women/gender equality, directly or indirectly, in the country reports or recommendations.\textsuperscript{22}

Furthermore, often recommendations are issued without considering their impact on gender equality.\textsuperscript{23} As highlighted above, the European Semester was created as a process of coordination of macroeconomic policies. This continues to guide the recommendations and often leads to seeing social policies primarily as a means to achieve economic growth rather than seeing wellbeing as an end in and of itself. For instance, in 2019, the majority of recommendations that referred to women addressed the topic of and/or associated women with childcare (7 recommendations), mostly through the lens of improving women’s labour market participation. However, many elements that next to supporting inclusive growth also address wellbeing and equal opportunities of women, such as the unequal sharing of the burden of care between men and women or the gender pay gap were only little addressed.\textsuperscript{24} Moreover, no country received a recommendation on the pension gap, despite the fact that the gender pension gap in the EU is around 40%.\textsuperscript{25}

Moreover, several Member States received recommendations to reduce public spending. This is problematic from a perspective of gender equality, as a majority of public sector workers and welfare recipients are women.\textsuperscript{26} Indeed, “cuts in public sector services have negatively affected women in regards to [sic] job losses and by transferring public services such as care back to them.”\textsuperscript{27}

Equality between women and men, gender mainstreaming and gender budgeting must indeed be key elements of the European macroeconomic framework. Moreover, it is crucial to look beyond the topic of the labour market participation of women and look more closely to how gender inequalities in other areas of life negatively impact all areas of life. Moreover, more attention must be paid to

\textsuperscript{20} Idem.
\textsuperscript{21} Idem.
\textsuperscript{22} European Women’s Lobby, European Semester: a driver for equality between women and men? 2019. Available at: https://www.womenlobby.org/European-Semester-a-driver-for-equality-between-women-and-men
\textsuperscript{23} Idem.
\textsuperscript{24} Idem.
\textsuperscript{26} European Women’s Lobby, European Semester: a driver for equality between women and men? 2019. Available at: https://www.womenlobby.org/European-Semester-a-driver-for-equality-between-women-and-men
\textsuperscript{27} Idem.
specific groups of women facing multiple discriminations, such as female migrants, women with a disability, older women and single parents.²⁸

Equal opportunities

Groups of persons who are disadvantaged on the basis of their sex, racial or ethnic origin, religion or belief, disability, age, sexual orientation, gender identity, or economic or other status face significant barriers to equal opportunities in all areas of life. However, while their situations and specific barriers were often given somewhat more attention in the preambles, they remained insufficiently addressed in the 2019 recommendations. While it is logical that not every country can receive a recommendation on each topic and for every target group, disadvantaged groups usually face higher levels of exclusion and inequalities. They therefore require recommendations specific to different population groups if these barriers are to be removed.

Therefore, as highlighted above, we recommend considering a different structure especially of the country-specific recommendations that are currently split in long preambles listing various challenges and barriers to equal opportunities that then are often not picked up in the shorter main recommendations.

Access to the labour market & fair working conditions

Active support to employment

Social inclusion of disadvantaged groups and sustainable growth are often mentioned in the 2019 CSRs without any reference to social economy, and particularity to social economy enterprises and work integration social enterprises (WISE) ²⁹ which are an essential tool to implement these concepts. Indeed, they create jobs and enable the access and the inclusion of disadvantaged groups in the

²⁸ Idem.
²⁹ For a definition of WISEs, see: http://www.ensie.org/new-page
labour market. By choosing the social enterprises model, public authorities change the costs linked to the disadvantaged people into a real investment generating economic and social returns.

A study from 2018 on the social impact of WISEs demonstrated that 78% of people found a job on the labour market, became self-employed or started an educational program after their integrational process through a WISE.

Persons labelled as “inactive” are not considered in the official statistics on unemployment. In several countries, a considerable number of persons with disabilities are labelled as „unable to work” and therefore classified as inactive, although they might be able to work a certain number of hours that remain under certain arbitrary thresholds or although they might be able to work if they received reasonable accommodation at the workplace. As a result, statistics on the unemployment rates of persons with disabilities are not based on reality and related policies continue to be based on inaccurate numbers and therefore fail to address barriers some persons with disabilities face when trying to access the labour market. The EU must better take into consideration the specificities of unemployment statistics related to persons classified as “inactive” and be mindful of this gap in data collection leading to ineffective or even discriminatory policies.

Unemployment rates have improved in many EU countries, a development that has been praised as positive during the 2018 European Semester process. However, most disadvantaged groups, such as persons with disabilities continue experiencing significant employment gaps. We see a risk that overall shrinking unemployment rates might lead to declining policy efforts to foster employment that might have a negative impact on the most disadvantaged groups.

Secure and adaptable employment

The topic of employment was addressed quite strongly throughout the European Semester process, including in the 2019 country-specific recommendations. In total, 32 recommendations were issued on the topics of employment protection legislation and frameworks for labour contracts, unemployment benefits, active labour market policies, incentives to work, job creation and labour market participation. However, the issue of

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31 Idem.
32 Idem.
quality of employment was insufficiently addressed in the main recommendations. Indeed, the focus was more on employability and labour market participation - including of women and disadvantaged groups, which we welcome - and rather neglected the aspect of ensuring quality and sustainable employment.

More quality and sustainable employment is crucial to counter the increase of in-work poverty, the gender and pension pay gap, precariousness, poor working conditions and labour market segmentation.

Quality work and employment implies jobs that:

- Give workers an adequate salary allowing them and their families to lead a dignified life
- Give workers stability, personal safety, reasonable accommodations, if needed, work-life balance, involving holidays and decent, flexible working hours and conditions, which is conducive to their mental and physical health and wellbeing and their capacity to enter and remain in the labour market
- Allow workers to improve their skills and grow professionally
- Allow workers to join a union to represent their rights
- Protect workers by individual and collective labour law and by guaranteeing various employment rights

We believe that the active inclusion approach\(^{34}\) that involves combining the strands of adequate minimum income schemes, inclusive labour markets and access to high-quality social services\(^{35}\) to ensure quality employment should be used consistently throughout the European Semester process. Unfortunately, this has not been the case and the wording used has been rather ambiguous.\(^{36}\)

Wages

As highlighted above, adequate wages are key to ensuring quality employment. However, the topic of wages and wage-setting was only addressed in recommendations to 4 Member States. At

the same time, in-work poverty remains too far high in many countries. In fact, in 2017, 9.4% of persons at work had a disposable income below the risk-of-poverty threshold (after social transfers). There are various reasons for in-work poverty, such as downward pressure on job quality, including wages, duration of contracts, employment protection, social security, involuntary part-time or zero hour work and the weakening of collective bargaining. These need to be better addressed through the European Semester process. For instance, in the 2019 Annual Growth Survey, the topic of in-work poverty was only briefly referred to twice. While we were glad to see that this topic was more prominently addressed in the Joint Employment Report, we still feel that it should appear more prominently in the Annual Growth Survey, considering that it sets out the general priorities for the EU.

Minimum wages are a key aspect to addressing the issue of in-work poverty. Indeed, adequate minimum wages should guarantee decent living standards to workers and employees by ensuring that a) they are higher than what is considered an adequate minimum income; b) they have a minimum threshold of at least 60% of the national median wage and c) they are set in a non-discriminatory way and irrespective of contract type and d) they are present in all sectors of the economy.

In January 2019, 22 out of the 28 EU Member States had a national minimum wage, with the exception of Denmark, Italy, Cyprus, Austria, Finland and Sweden. It is positive to see that the nominal rates of statutory minimum wages were increased in the majority of EU countries in January 2019, compared to the same reference month in 2018, but much more remains to be done in ways of adopting national minimum wage schemes in the countries that do not have them yet or only have them in some sectors or for some contract types as well as increasing the nominal rates to ensure the adequacy of minimum wages. Also, regional disparities in living costs need to be better taken into consideration to ensure this.

**Social dialogue and involvement of workers**

The involvement of the workers in the management and in the control of the enterprise, as it is done for instance in workers cooperatives, improves working
conditions and work-life balance, increases job security and improves worker satisfaction. Being associated to the management of the enterprise increases personal empowerment of workers and development of new skills. However, as highlighted above, only 3 countries have received recommendations to improving social dialogue and we see the need to strengthen these recommendations to improve the quality of employment.

**Work-life balance**

The issue of work-life balance has an impact on a variety of policy areas. It is crucial to ensure worker’s mental health and professional and personal wellbeing. It is also key to enable persons with family or caring responsibilities to enter, return to and remain in the labour market.

Therefore, it is crucial to mainstream the issue of work-life balance across a large spectrum of EU and national policies, including through the European Semester. The topic has been addressed through various lenses in the 2019 European Semester process, mainly through access to childcare and other social services. However, as housework, childcare and care responsibilities for elderly relatives or children with disabilities disproportionately fall on women, these issues need to be addressed more frequently. Moreover, as highlighted above, it is crucial to look more closely at how gender inequalities in various areas of life impact work-life balance of both men and women.

We feel that a holistic perspective on the issues that have an impact on work-life balance and how they are interconnected has been missing from the 2019 Semester process. Indeed, the term of work-life balance as a goal within the European Semester process has not been very prominent - it was neither mentioned in the 2019 Annual Growth Survey, nor in the main country-specific recommendations issued in 2019. Even the Joint Employment report only mentioned it once in passing. We believe that this should be improved upon.

**Social protection and inclusion**

**Childcare and support to children**

We welcome a greater focus on children and of aspects related to the situation and rights of children and families in parts of the 2019 Semester process. Indeed, the
2019 country reports showed a strong awareness of the need to invest more in children, particularly in children experiencing poverty and social exclusion. Topics related to children’s right and support featured strongly in the country reports. Indeed, these included female labour participation, early school leaving, educational attainment gap, transition from institutional to family- and community-based care, child poverty, early childhood education and care, youth unemployment and social benefits system as well as inclusive education. In addition, many countries also received investment recommendations on these topics. However, clear gaps were noticeable between the percentage of country reports that referenced a certain topic and the percentage of country reports that contained explicit priority investment areas to the same topic.

Unfortunately, several of these topics were not or not sufficiently part of the priorities set forward in the country-specific recommendations. For instance, while 6 out of 28 countries received a reference to child poverty in the preambles, not a single country received a recommendation on child poverty and only one country received a recommendation on improving the support to families. This was despite the fact that in 2017, children were the age group at the highest risk of poverty or social exclusion in the EU in 2017, with an estimated 24.9% compared with 23.0% of adults (18–64) and 18.2% of the elderly (65 or over). Some children face a compounded risk of poverty and social exclusion, such as for example Roma children, who are often victims of bullying, segregation and low rates of education attainment, in addition to a poor socio-economic background.

We welcome that the topic of childcare was addressed in six recommendations and that several of these recommendations were accompanied by references to increasing the affordability, quality as well as accessibility of these services. We believe that additionally, access to quality early childhood education and care as well as early childhood development policies should feature more prominently to support families in their care responsibilities beyond the provision of care settings.

We regret that despite the strong presence of the topic of transition from institutional to family- and community-based care (deinstitutionalisation) in the country reports, not a single country received a recommendation on this topic. However, in several EU Member States, there is a lack of long-term planning of support services development and a lack of clear roles and responsibilities in the deinstitutionalisation process. Therefore, there is a need for more action in this regard at national level to provide

41 Eurochild, Reflections on the 2019 European Semester Country Reports. Available at: https://www.eurochild.org/policy/library-details/article/reflections-on-the-2019-european-semester-country-reports/?tx_news_pi1%5Bcontroller%5D=News&tx_news_pi1%5Baction%5D=detail&cHash=525fa2cb001895b204658516788aa9be
42 Idem.
43 Idem.
quality family- and community-based care for children who are living in alternative care settings. This should be promoted in country-specific recommendations, where necessary.

Social protection

"Social protection schemes are important tools to reduce poverty and inequality. They do not only help to prevent individuals and their families from falling or remaining in poverty, they also contribute to economic growth by raising labour productivity and enhancing social stability."46

The 2019 chapeau communication on the country-specific recommendation47 points out that the topic of poverty was addressed in the documents for 16 Member States. However, it is mainly in the preambles in which high levels of poverty and inequality were correctly pointed out, on the basis of Social Scoreboard information, without being followed up by actual recommendations in most cases (with 2 exceptions).48 This is unacceptably little, especially considering there are still 113 Million people in the EU in poverty49 and that we are far from reaching the Europe 2020 headline target poverty reduction. We hope to see this aspect significantly strengthened in the next cycle.

In addition, a consistent approach to investing in universal protection, with focus on adequacy, coverage and take up, has often been missing from the 2019 recommendations.50 Indeed, there would have been opportunity to call for investment in an effective integrated Active Inclusion strategy, as described above. We hope to see this aspect figure more prominently in the next Semester cycle.

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49 Idem.
50 Idem.
Unemployment benefits

"Unemployment benefits are a key feature of all European welfare systems. By insuring workers against the risk of job loss, they provide an essential safety net for individuals and households, thereby contributing to protecting them against poverty."\textsuperscript{51} They also are beneficial both to individual job seekers as well as economies overall, as they increase the ability of workers to re- or upskill, change jobs and seek more quality employment. Next to supporting social protection, they also act as automatic stabilisers, as they enable unemployed persons to participate in the economy.

The 2019 Joint Employment Report highlighted the importance of providing unemployment benefits of adequate amount and reasonable duration that are accessible to all workers and are accompanied by effective activation measures. Indeed, this is key to supporting jobseekers during transitions.

At the same time, it pointed out existing concerns about the coverage of atypical workers, who often do not have full access to the social protection system, and the absence of, or low coverage for the self-employed.

Despite this, in the 2019 recommendations, merely one country received a recommendation on the topic of unemployment benefits. Especially, as the Council recommendation on social protection for workers and the self-employed reached a political agreement end of 2018, references to this important topic could have been strengthened in the Semester process.

Minimum income

Adequate minimum income schemes play a key role in reducing rates of poverty and its severity. They are a cornerstone of a well-functioning society and of the larger European social model and form the basis on which high quality social protection schemes should be built.\textsuperscript{52} For this reason,


\textsuperscript{52} Social Platform, An EU directive on minimum income. Ensuring adequate minimum income schemes throughout the EU as the basis for high level social protection across the life span. 2014. Available at:
Social Platform and many of its member organisations have been advocating for adequate minimum income schemes for several years.

Regrettably, the 2019 Annual Growth Survey contains no mention of the issue. However, the 2019 Joint Employment Report highlighted that adequacy of minimum income benefits varies significantly among Member States. It also pointed out that minimum income schemes should combine an adequate level of support with access to enabling goods and services and incentives to (re)integrate into the labour market for those who can work, which was welcome.

In turn, the 2019 recommendations contained several recommendations on minimum income and income inequality, including a reference to their adequacy which was welcome.

Nevertheless, as highlighted in the subchapter on social protection, the opportunity to call for investment in an effective integrated Active Inclusion strategy, including with regards to minimum income, and to do so across the board was missed.

The 2019 Annual Growth Survey described Europe’s ageing population as a challenge for pension, healthcare and long-term care systems. It also stated that pension reforms aimed at adapting the balance between working life and retirement and supporting complementary retirement savings remain essential.

Indeed, 13 Member States received recommendations on the topic of pension reform. Unfortunately, a focus on the adequacy and fairness of pensions has not kept up with the appropriate focus on fiscal sustainability. Indeed, only four of the recommendations were accompanied by references to the adequacy or fairness of pensions. Additionally, many ways that were described to achieve these reforms involve increasing the statutory retirement age in view of expected gains in life expectancy or limiting early exit possibilities from the labour market. Unfortunately, these recommendations neglected to look at how labour markets need to be made inclusive to enable older workers to remain in employment and the

degree of discrimination older workers face when trying to do so. Creating flexible and inclusive labour markets, including for older workers, would be advantageous both from a social as well as a financial sustainability perspective. Moreover, the approaches that were recommended ignore the fact that while life expectancy is increasing, the number of healthy life years does not necessarily increase at the same time. This is especially the case for women who have a higher life expectancy, but the healthy life years indicator suggests that they have the same lifespan spent in good health. Therefore, a gender perspective needs to be applied here.

Under this light, it is especially crucial that the issue of the gender pension gap of 40% in the EU which was completely absent from the 2019 recommendations is addressed in this framework.

Finally, as a side note, Italy received a recommendation to “implement fully past pension reforms to reduce the share of old-age pensions in public spending and create space for other social and growth-enhancing spending”. This shows in our opinion the negative effect of applying a macro-economic and purely growth-focused perspective to social affairs, leading to prioritising people who appear to contribute more to economic growth over those who appear to do so less.

According to the European Commission chapeau communication, 17 countries received recommendation on health and long-term care. We welcome that several countries received recommendations related to the quality of healthcare provision, even if we feel that issues of cost-effectiveness and quality should always be balanced.

It would be important to highlight more strongly the type of quality reforms that would be needed in the sector, especially as there are issues with regards to the amount of spending on prevention (on average only 3% of national healthcare budgets are dedicated to this). Evidence shows that prevention can be cost-effective, provide value for money and give returns on investment in both the short and longer terms.

An issue that has remained unaddressed are inequalities and discriminations in

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access to healthcare, for example for older persons.

Moreover, according to the European Commission, health and long-term care has seen one of the lowest multi-annual implementation rates across the EU with 55%. Therefore, more effort in this regard is needed.

Inclusion of people with disabilities & other disadvantaged groups

Similarly, as for other disadvantaged groups, issues related to persons with disabilities mainly appeared in the preambles of the country-specific recommendations rather than in the recommendations themselves. Indeed, while 18 countries saw a specific mention of disability in their preambles, only Latvia received a recommendation. This recommendation focused mainly on adequacy of minimum income benefits, minimum old-age pensions and income support for people with disabilities. While these aspects are important, recommendations with regards to their full inclusion in all areas of life, including in education and employment have been missing, despite being urgently needed. Indeed, in 2016, people with disabilities lagged further behind their non-disabled counterparts in completion rates for tertiary education than was the case in 2011. This is especially worrying, as the employment gap for persons with disabilities with a tertiary degree is significantly smaller than it is for those with lower educational attainment. As persons with disabilities remain among the most disadvantaged groups in Europe, it is crucial that their full inclusion in all areas of life is addressed more strongly in the next cycle.

In addition, as already highlighted in the chapter on childcare and support to children, the topic of transition from institutional to family- and community-based care (deinstitutionalisation) has not been part of the main recommendations in 2019.

We appreciate seeing several mentions of Roma throughout the 2019

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59 Idem.
recommendations, mainly focused on their inclusion in quality education and training. This is very welcome, especially as the European Commission has in the past initiated infringement procedures over the school segregation of Roma in children in Hungary, Czech Republic and Slovakia. At the same time, considering the degree of exclusion Roma communities in many countries face, recommendations on other areas, such as unemployment and especially youth unemployment are crucial. Indeed, around 64% of Roma aged 16 to 24 are not in education, employment and training.

Long-term care

As highlighted above, the 2019 recommendations make several references to long-term care systems, looking both at quality and sustainability of long-term care systems, even if both aspects are not always present in all recommendations on long-term care reform. It is important that these topics keep being addressed in recommendations, especially considering the low levels of implementation of previous health and long-term care CSRs.

Around 80% of care work is provided by informal carers, predominantly women. They need to be recognised, supported and empowered through a variety of measures aiming at investing in carer’s human capital, such as information, training and skills development, counselling, financial and peer support, social protection, health prevention, access to quality services, work-life balance policies, participation in the design of policies having an impact on their situation etc. Across the EU, there is a need for a proactive policy approach with regards to long-term care, which must take into consideration the contributions of informal carers and address their needs many of which are currently unmet. However, the situation of informal carers has not been addressed directly in any recommendations.

We believe that the Social Pillar principle on long-term care needs to be implemented through a thematic European strategy with a holistic and lifecycle approach, including a European

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platform to share good practices and improved data collection with harmonised definitions, indicators and corresponding European targets to assess the affordability, accessibility, quality and availability of long-term care services. Furthermore, the overall funding for long-term care must be increased to ensure innovation, high quality services and self-determination for the persons in need of care.

**Housing and assistance for the homeless**

We welcome an improved analysis of the housing situation in Europe, including more regular and detailed references to homelessness and housing exclusion in the 2019 Semester cycle. The topic was addressed at various stages of the cycle: More attention was paid to the topic of housing in the country reports compared to previous cycles. Indeed, homelessness was mention in 11 reports compared to 8 in 2018 and 5 in 2017. The issues of housing quality and affordability, especially for poor people and disadvantaged groups were covered in several reports. Other topics addressed included the shortage of social and affordable housing, access to housing for migrants, including asylum seekers and beneficiaries of international protection as well as lack of access to decent and affordable housing for Roma people. Furthermore, the issue of adequacy of policies addressing these challenges were covered to some degree. As highlighted above, this year’s country reports contained a strong focus on investment, in view of cohesion policy programming for 2021-2027. We welcome that several Member States received recommendations to focus on investment on affordable and/or social housing as well as relevant health and social services that help in reducing homelessness. Indeed, we need to ensure that investment in affordable and social housing as well as relevant related services is strengthened and reaches those in most housing need.

The 2019 chapeau Communication to the CSRs addressed the issue of scarcity of adequate and quality housing as a

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66 Idem.
67 Idem.
68 Idem.
problem, compared to previous years where only housing prices were referred to as economic and financial risks.\textsuperscript{71}

The CSRs also focused more on housing than in previous cycles and made calls to several Member States to take measures to address homelessness and housing exclusion.\textsuperscript{72} According to the European Commission, 8 Member States received a CSR on the housing market. Of these, 5 addressed social aspects of housing, rather than financial or economic ones.\textsuperscript{73}

However, issues of consistency within and between cycles well as within and between countries remain. For example, France did not receive a recommendation on housing in 2019 despite the situation still being critical after being told in 2018 that there is cause for concern.\textsuperscript{74} Several countries whose country reports or preambles mentioned housing and the difficulties arising from lack of affordable housing did not receive a recommendation on this topic.\textsuperscript{75} In several cases, no recommendation on homelessness was made for countries who face similarly serious challenges in this regard as other countries that did receive one.\textsuperscript{76}

One of reasons for the inconsistencies between countries might be related to the social scoreboard, which tracks trends and performances across EU countries in 12 areas; data that feed into the European Semester process. The social scoreboard however is incomplete from a housing perspective.\textsuperscript{77} Indeed, currently, the only housing indicator looks at severe housing deprivation, which misses the aspect of housing affordability.\textsuperscript{78} Additionally, the scoreboard cannot capture the situation of growing homelessness\textsuperscript{79} because the data it uses comes mainly from statistics such as the EU Labour Force Survey (LFS) or the EU Statistics on Income and Living Conditions (EU SILC)\textsuperscript{80}, which is collected mainly at household level.\textsuperscript{81} These and other gaps in the Social Scoreboard must be addressed urgently to gain a more complete picture of the social realities in the area of housing and homelessness across the EU.

Despite these shortcomings, we hope that this momentum of addressing homelessness issues and the focus on affordable housing in the Semester process will continue rather than being a one-off.

\textsuperscript{71} Idem.
\textsuperscript{72} Idem.
\textsuperscript{73} Idem.
\textsuperscript{74} Idem.
\textsuperscript{75} Housing Europe, A stronger focus on affordable and social housing in the 2019 CSRs. Available at: http://www.housingeurope.eu/resource-1303/a-stronger-focus-on-affordable-and-social-housing-in-the-2019-csrs
\textsuperscript{76} FEANTSA, 2019 Semester: Homelessness and Housing Exclusion on the European Commission’s radar. Available at: https://www.feantsa.org/public/user/Resources/Position_papers/2019_Semester-Homelessness_and_Housing_Exclusion_on_the_European_Commission%E2%80%99s_Radar.pdf
\textsuperscript{77} Idem.
\textsuperscript{78} Idem.
\textsuperscript{79} Idem.
\textsuperscript{80} Eurostat, European Pillar of Social Rights – Overview. Available at: https://ec.europa.eu/eurostat/web/european-pillar-of-social-rights/overview
\textsuperscript{81} Eurostat, European Union Statistics on income and living conditions (SILC). Available at: https://ec.europa.eu/eurostat/web/microdata/european-union-statistics-on-income-and-living-conditions
**Access to essential services**

20. Access to essential services

Essential services include the category of social services of general interest (SSGI), which are a key component of the European social model. They also play a preventative and socially cohesive role and are important automatic stabilisers during periods of economic recession.  

Social services can be provided by various stakeholders, such as national, regional or local public authorities, non-for profit NGOs or commercial providers. This includes social economy enterprises that pursue the general interest and are active in filling gaps and identifying social and community needs. At the same time, they give community or service beneficiaries the possibility to be involved in the governance of the enterprise, increasing the chances of quality and effectiveness of the provided service.

No matter how these services are provided, providers must respect the principles of quality, accessibility, availability and affordability. As highlighted above, access to and availability of quality and affordable essential services, including social services is one part of an active inclusion strategy to tackle inequalities. Unfortunately, such a strategy has not been used throughout the European Semester process to reduce these inequalities.

Nevertheless, we welcome the presence of several references to the accessibility/affordability of certain services, including social services. It is important that the European Semester process will continue to focus and strengthen aspects related to quality of services, making sure these considerations are balanced with and seen as equally important as aspects of cost-effectiveness and efficiency.

This is crucial: If services are not of quality as well as available, affordable and accessible, this will reduce pickup of services. If services are not or only little used, service providers might erroneously believe that they are not needed and cut them, while they are actually necessary for many people. Therefore, the aspects of quality, availability, affordability and accessibility of services should be the default term throughout the Semester process, and especially the country-specific recommendations.

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82 Social Services Europe, Services of General Interest. Available at: [https://www.socialserviceseurope.eu/ssgi](https://www.socialserviceseurope.eu/ssgi)
2.3 Responsible fiscal policies

As highlighted throughout this document, the European Semester currently remains a framework of macroeconomic coordination that still keeps a strong focus on the sustainability of public finances and the need to reform public services in order to be more cost-efficient. The 2019 CSRs cover a variety of topics in this area, including fiscal policy & governance, long-term sustainability of public finances, reducing the tax burden on labour and broadening tax bases as well as fighting against tax evasion, improving tax administration and tackling tax avoidance. The first two topics that look at responsible fiscal policies, which means cost-efficiency as well as sustainability of public finances are together addressed in 37 CSR documents. Issues related to reducing the tax burden on labour and fighting against tax evasion and tax avoidance are covered in 16 CSR documents, which we appreciate.

At the same time, we see more efforts in the fight against tax evasion and tax avoidance as needed, considering that the Commission provided evidence in 2016 that puts corporate tax avoidance at about €50-70 billion a year in the EU. Reforming national tax systems and ending policies that allow tax avoidance

and evasion by multinational companies and billionaires would allow public authorities to collect billions of euros of extra resources that could be allocated to fund social investment and welfare systems and services.\footnote{European Commission Staff working document Accompanying the document Communication from the Commission to the European Parliament and the Council, Anti Tax Avoidance Package: Next Steps towards delivering effective taxation and greater tax transparency in the EU. 2016. Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52016SC0006&from=EN}

However, we only see few recommendations to comprehensively reform taxation systems in a progressive way, including by shifting more of the tax burden onto the wealthy.\footnote{European Anti-Poverty Network, A step forward for social rights? EAPN Assessment of the 2019 Country-Specific Recommendations with Country Annex. Available at: https://www.eapn.eu/wp-content/uploads/2019/07/EAPN-2019-EAPN-CSR-Report-Main-Messages-3702.pdf} It is unfortunate that tax policies are still mainly understood as an instrument to support growth instead of using their potential as a redistributive tool to reduce inequalities\footnote{Social Platform Position paper, Building Social Europe. A comprehensive implementation plan for an effective European Pillar of Social Rights. 2018. Available at: https://www.socialplatform.org/wp-content/uploads/2018/03/Building-Social-Europe-A-comprehensive-implementation-plan-for-an-effective-EPSR.pdf}, which then, subsequently, also helps to support growth that is inclusive.

For this reason, we welcome recommendations related to broadening the tax base that were addressed in 5 CSR documents, as long as the way the tax base is being broadened functions in the described redistributive way towards increasing taxation of the wealthy.

Finally, we welcome recommendations to reduce the tax burden on labour, as it has an important impact on income inequality as well as the inclusiveness of economic
growth. However, as the European Commission states, not all reforms with regards to labour tax reform can simultaneously foster growth and reduce income inequality. Therefore, the right policy mix needs to be found to ensure that income inequality objectives do not fall behind growth considerations.

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89 Idem.
3. Conclusions and outlook

The European Semester process has continuously evolved since its official creation in 2011 to increasingly add social priorities, next to macroeconomic and fiscal ones. However, imbalances with regards to economic and social priorities as well as inconsistencies within and contradictions between CSRs within and between Member States remain. Furthermore, implementation rates vary strongly between policy areas. Reforms of the process are necessary to ensure the balance between priorities and to improve the design of the process, as described above.

Some of the incoming European Commission’s reform plans for the European Semester have already been unveiled. Indeed, president-elect Ursula von der Leyen has given the mandate to Executive Vice-President Valdis Dombrovskis to “refocus the European Semester so that it integrates the United Nations Sustainable Development Goals.” (SDGS) To ensure an “Economy that works for people”, as his portfolio title stipulates, looking at economic, social and environmental priorities together is crucial, as a comprehensive reform of our economic system must ensure social and environmental sustainability, otherwise it would fail to reach this objective.

However, it needs to be ensured that integrating the SDGs into the Semester process does not create further imbalances and inconsistencies between then economic, social and environmental priorities.

We believe that now - with a new European Commission soon in place - is a very opportune moment for reforming the European Semester process to make it more efficient as a tool to support the implementation of the Social Pillar as well as efforts to create an economy that actually works for people. We hope that reforms will reflect the limitations of the current process highlighted throughout this document as well as by various CSOs in the social field active on this topic.

Finally, we hope that the new European Commission will strengthen the involvement of all stakeholders, including elected Parliaments - European as well as national - social partners and CSOs, and create guidelines on how to ensure the involvement of these stakeholders. We also hope that the Commission will strongly encourage Member States to do the same. Only if all relevant stakeholders are involved in this process, the European Semester can reach its full potential to support the implementation of the Social Pillar and ensure a brighter future for all people in Europe.

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- Eurocarers
- Eurochild
- Eurodiaconia
- European Disability Forum (EDF)
- European Federation of National Organisations Working with the Homeless (FEANTSA)