

Getting results on poverty and the Social Pillar

EAPN Response to the Annual
Growth Survey Package 2019

JANUARY 2019

I. INTRODUCTION

EAPN is the **largest EU network of grassroots anti-poverty organisations**, with thousands of organisations working to combat poverty at European, national, regional and local levels. As part of its strategy for supporting anti-poverty policy change through dialogue, EAPN engages systematically with its members throughout the European Semester cycle.

Building on **EAPN's analysis of the National Reform Programmes 2018¹**, EAPN's President wrote to President Juncker on 9 October 2018² following his State of the Union speech³, urging him to use the 2018 Annual Growth Survey to **leave a real Social Triple A legacy!** EAPN asked him to take steps to promote a **Poverty Free Europe**, as proposed by EAPN's 2018 General Assembly⁴. **EAPN called for 6 Steps**. Following the launch of the AGS 2019 in November, EAPN published an immediate Response Statement: **Increase in social rights and participation but more needed to balance economic and social goals⁵**. EAPN now presents a fuller analysis of the Annual Growth Survey and the Draft Joint Employment Report, prepared in consultation with EAPN members.

On 21 November, the European Commission adopted its 'Autumn Package'⁶, including the Annual Growth Survey (AGS) 2019 and the Draft Joint Employment Report (JER). The main message from the AGS 2019 is that the EU is continuing to expand economic growth that is leading to jobs that take people out of poverty. However, although the AGS underlines that **growth is not benefiting all citizens**, it does not propose a systematic shift towards a different model, investing in fairer **distribution/redistribution systems** and a **rights-led, social and sustainable development approach**. The **European Pillar of Social Rights (EPSR) is said to be fully integrated**, but most of the social inclusion and social protection proposals are restricted, with little details, and seen primarily through the lens of instruments for **growth and jobs**, underpinned by trickle-down theory. Whilst some nuances have been introduced into the 3 AGS priorities⁷, referencing the need to promote inclusiveness, as well as productivity growth and institutional quality in structural reforms, together with new funds and link to EU funds, it is not clear how far this will be used for social investment in social rights.

Overall, whilst the AGS 2019 takes **some welcome steps with increased mentions of poverty and social rights** as well as to the role of **civil society**, it falls short of **rebalancing economic and social goals** or a **road map** to deliver **concretely on poverty and social rights**, implementing the **EPSR and the Agenda 2030 SDGs**, with people in poverty and NGOs as key partners. In order to achieve a **Poverty Free Europe**, these high-level political commitments must be translated into actions on the ground, which create meaningful changes in the lives of the **113 million people still at risk of poverty and social exclusion, if EU commitments to people as well as markets and business are to be believed**.

¹ [EAPN's assessment of 2018 National Reform Programmes: Make participation a driver for social rights \(October 11 2018\)](#)

² EAPN letter to President Juncker, with key messages to the AGS 2019 (9.10.2018)

³ President Juncker's State of the Union Address (12.09.2018)

⁴ EAPN's General Assembly Final Declaration (26.09.2018)

⁵ [EAPN Statement on AGS 2019 : Increase in social rights and participation but more needed to balance economic and social goals \(22.11.2018\)](#)

⁶ 2019 Autumn Package including AGS, Draft Joint Employment Report, Alert Mechanisms Report, Recommendation on the economic policy of the Euro area, Opinion on the draft budget plans for Euro area.

⁷ 3 AGS recurring priorities 1) Investment 2) Structural Reforms 3) Fiscal sustainability.

We call for **9 priorities for action**:

1. **Rebalance macroeconomic policies to achieve social rights and poverty reduction**
2. **Set out an Action Plan to implement the European Pillar of Social Rights**
3. **Reduce poverty with an integrated strategy based on Active Inclusion**
4. **Invest in adequate income for all – guaranteeing minimum income and social protection as a social right!**
5. **Give priority to fair living wages and personalized support into quality jobs**
6. **Promote a holistic approach to Education and Lifelong Learning as a social right**
7. **Prioritize right to essential, affordable services – particularly housing and health**
8. **Use EU funds and Reform Support Instrument for social investment in social rights**
9. **Make Civil Society equal partners in the European Semester**

II. KEY OPPORTUNITIES

The 2019 AGS offers some signs of progress: **giving more focus on social priorities in the European Semester**, with references to **more balanced economic and social priorities**, and support to the **implementation of the European Pillar of Social Rights**, including potential for better alignment of EU funding.

- The recognition of the need to **‘reinforce the social dimension’** and foster **‘upward convergence of living and working conditions’**.
- The commitment to **‘turn the European Pillar of Social Rights into action’** at EU and national level.
- The focus on **poverty, citing the decline in poverty rate to 113 million (2017) from 118 (2016)**, and new focus on **in-work poverty**, recognizing that **risk of poverty** is a continuing challenge for key groups: children, people with disabilities and migrants.
- The recognition that **globalisation has supported economic growth, but not brought the same benefits for all**, underlining **‘persistent high levels of income inequality and slow reduction of poverty’** as a main risk. A key priority is to foster long-term growth and equity.

- The **commitment to ‘convergence’** highlights **inclusive and ‘growth-friendly’ social protection** – although the full meaning is not clear, with a commitment **to building up fiscal buffers**, to help mitigate employment and social impact.
- The emphasis on **‘adequacy of benefits and coverage’** is welcomed, although this is ambiguously combined with **‘optimising incentives for labour market participation’**.
- The support to **inclusive and efficient tax-benefit systems as vital to tackle poverty and inequality**, with a key role given **to fairer taxation** including of the digital economy as a **‘pre-condition of a more inclusive growth’**. This is combined with making **tax fraud, evasion and avoidance** a key priority, as part of **‘fair-burden sharing’**.
- **Promoting activation and social inclusion, with universal access** to high quality, affordable care services, social and care services, also integration of migrants.
- **The priority given to investment in housing**, in order to make it **‘more affordable** and curb energy consumption’.
- **The focus on education, training and skills as priorities for investment**, addressing **inequalities in access to education**, particularly early learning, basic skills, vocational, and adult education.
- The statement that **‘Inclusiveness should be at the core, ensuring that productivity gains benefit all citizens’**, underlining the contribution **wage growth** can make to reducing inequality.
- The insistence on a **better balance between Flex and Security**, underlining that labour legislation and social systems should **provide security to all types of workers, facilitate transitions, and tackle in-work poverty**.
- **The new proposals to align the European Semester with EU funds**, supporting implementation of the Country Specific Recommendations (CSRs), and **for the new Reform Support Programmes** have potential if the rebalancing of social and economic objectives is reflected adequately.
- **Renewed emphasis on dialogue** - the idea of National Productivity Boards, engagement with social partners and national parliaments who will be **‘fully involved in the reforms’**, is welcomed along with **‘broader engagement with civil society’**.
- **A clear mention of Civil Society as key partner** for the 1st time in the Juncker era. Recognizing CSOs’ role to **‘improve ownership, legitimacy and get better socio-economic outcomes’**.

III. KEY CONCERNS

Our main concern is the overall coherence of the approach in the AGS to achieve real impact on social rights and poverty reduction. How far are the dominant current macroeconomic priorities still in the driving seat? (focussed on stability and growth, rather than a shift to ensure social investment in social rights, quality jobs, social protection and public services?) Is there sufficient clarity on the need to regulate and socially invest to ensure fairer distribution/redistribution policies? Where are the concrete proposals to implement the European Pillar of Social Rights (EPSR) and to deliver an integrated rights-based strategy to have a concrete impact on poverty and inequality? What steps will be taken to ensure that people experiencing poverty, together with the Civil Society organizations that support them, become equal players, crucial for achieving social rights? The AGS and the European Semester have a key role to play in supporting this.

- **Stability and Growth still appear dominant, with only small changes to the same 3 economic priorities, raising concerns of policy coherence and consistency.** There are not clear mechanisms to ensure that existing economic priorities on liberalisation, promoting efficiency and reducing public expenditure to get balanced budgets, will not undermine social investment in social rights, adequate public services, and social protection.
- Although positive mention is made in the AGS about responses to climate change, the **Agenda 2030 for Sustainable Development Goals should be more coherently mainstreamed** and show how Europe should meet them
- **Despite the rhetoric, there is a continuing priority to fiscal constraint and austerity.** The reference to sound fiscal policy as essential to reduce debt and create more jobs (thereby reducing poverty), demonstrates a continuing reliance on trickle down theories, which have been proven not to work.
- The **rising employment rate is credited to the fiscal consolidation approach!** It is deeply worrying that no recognition is made of the **negative impact of austerity**, which has not only severely weakened public services and social protection systems, but undermined quality jobs and inclusive growth.
- **The fall in the poverty rate to 113 million is welcomed, but insufficient focus is given to the continuing unacceptable levels (still nearly 1 in 4 Europeans) and lack of progress towards the Europe 2020 poverty target.**
- Credit for decline in poverty is given to the rising employment rate. However, this is not consistent with **high levels of in-work poverty (9,6%) which proves any job is not an automatic route out of poverty.** A deeper reflection needs to be made also on the **shortcomings of the low work intensity indicator** (one of the main indicators declining), which is not a real poverty indicator and does not capture the quality of jobs proposed, or whether they will effectively take people out of poverty.
- **The implications of the different poverty indicators (AROP and severe material deprivation) are not sufficiently explored.** For example, no analysis is made of the fact that the AROP indicator is mainly stable, reflecting how overall lowering of living standards has impacted on poverty risk, as well as the failure to capture the reality of key groups –

including children, homeless people, but also people in institutions, migrants etc. Neither is the key data on depth and persistence of poverty explored, linked to the JER and the Social Protection Performance Monitor. Key groups at risk of poverty are missing: children, Roma, single parents, tenants.

- **Although the European Pillar of Social Rights is a clear focus, there is no systematic mention of all 20 principles**, nor proposals made for how all will be mainstreamed and implemented. A **rights-based** approach to promoting inclusive and sustainable growth is also not currently evident in the language used.
- **The Social Scoreboard is more mainstreamed in the text, particularly the draft JER, however the full set of indicators are not systematically analysed. Neither is priority given to ensuring policy advice when negative indicators are triggered**, for example the high number of countries at alarming levels regarding the inadequacy of social transfers in reducing poverty. The limitations of the Scoreboard in only measuring progress in comparison to EU averages, rather than ambitious EU and national targets is a major concern.
- **The right to adequate minimum income benefits** ensuring a life in dignity at all stages of the life course, and effective access to enabling goods and services, is a key principle in the EPSR. Although the focus on adequacy and coverage is welcomed, this is combined with the need to ensure **'incentives' to work**, focussing on **conditionality to benefits. This undermines the rights-based approach, and the effectiveness of personalized support mechanisms, which can accompany people who can work into** quality jobs, whilst ensuring access to adequate minimum income and quality services for those who cannot work.
- **Integrated Active Inclusion** is still not explicitly referenced, with the main focus on linking activation incentives and benefits (see above re conditionality). This seems to be attempting **to redefine the 3 pillar approach of the adopted EU Recommendation**: access to inclusive labour markets, adequate minimum income and social protection, and quality services.
- **Employment is still put forward as the main goal, rather than quality jobs** that take people out of poverty. There is insufficient reference to **growing in-work poverty and the priority to promote adequate living wages to close the wage gap between high and low income earners and increase the wage share** in relation to GDP.
- Although concerns are raised more clearly about **'new forms of work'** and the need to increase the **Security part over the Flex** (Flexicurity), the solutions proposed do not give priority to regulation to defend and implement social and employment rights, including access to social protection for all workers.
- **Education, Training and Lifelong Skills are given a strong focus**, as well as the importance of addressing inequality, but the aim is limited to increasing productivity and employment, rather than seeing education as a resource for personal and community development, particularly important for excluded groups – supporting empowerment and active participation in their local communities and society. No statement is made about the need to reverse existing austerity cuts.

- **Social protection is not presented as a social investment nor underlined sufficiently as a right**, but mainly as a lever for labour market participation. **Sustainability of social protection and also health services** is also referenced more than **adequacy** and fails to underline the key role of **universal** social protection and health systems to **protect everybody against all risks and provide healthcare for all**. Support to 'targeting' is more concerned with reducing costs than enforcing social and health rights.
- The **mention of fiscal buffers** misses a key opportunity to argue for EU frameworks to guarantee adequate income - eg adequate minimum income and unemployment benefits.
- **The reference to housing is made in the context of increasing supply through private investment**. This will not ensure affordable housing for low income families, who are mainly renting their accommodation, without references to price regulation, caps on housing assistance, and support for quality social housing.
- Whilst the focus on **fairer tax** and **tax/benefit policies** is generally positive, and tackling tax evasion/avoidance, there are mixed messages in some sections mentioning 'efficient tax systems, that promote investment and growth'. This tends to undermine the focus on inclusiveness and fails to stress the vital role of tax as a key instrument for redistributing income and wealth, and financing viable universal social protection systems. Increasing tax collection, overall tax share, with increased progressivity of tax systems are key.
- **'Inclusive Reform' is positive rhetoric but is worryingly ambiguous**, on the one hand underlining equity, inclusiveness, cohesion, but then stressing the main aim of the reform as 'growth-enhancing'. This gives priority to increasing productivity, restructuring employment markets allowing more flexibility for growth, 'modernising' or 'cutting' costs of social protection systems, rather than ensuring investment in employment and social protection systems to ensure quality jobs and adequate income.
- **The proposal to link EU Structural Funds to implementing the Semester** could be a positive development, however safeguards would have to be put in place to ensure that priority is not given to macroeconomic Country Specific Recommendations (CSRs) which undercut social rights (ie, by pressing for cuts in spending to social protection/public services) with strong social investment in positive Social CSRs – eg investment in social housing, early learning, adequate funding for quality minimum income schemes and social protection systems.
- **The new EU Reform Support Fund proposal is currently only focussed on support to economic and fiscal Recommendations reforming 'labour market and social/health services' with a 'cost-cutting focus'**, rather than a social investment approach. This is a missed opportunity to reflect the positive evolution of the Semester towards a better balance between economic and social objectives.
- Although it is positive that **Civil Society is mentioned again in the AGS, it is still secondary to social partners, and on different terms**. There also needs to be an equivalent reference to organized civil society being involved at all stages of the policy process – ie design, delivery and evaluation. The reference should be to organized civil society (ie CSOs) not just Civil Society so as to avoid a focus only on individuals and one-off public consultations, rather than structured dialogue with organized CSOs.

IV. KEY MESSAGES

1. Rebalance macroeconomic policies to achieve social rights and poverty reduction recognizing that growth is not benefitting all EU citizens and inequalities are growing

- Ensure that economic policies put social rights first, concretely contributing to the Europe 2020 poverty reduction goals, and by taking into account social impact by mainstreaming ex-ante distributional/social impact assessment in EU and national macroeconomic policy, including tax/benefit policy.
- Stop austerity and reform the Stability and Growth Pact to allow fiscal flexibility to increase social investment in social rights and standards, as a firm basis for social and sustainable development, as part of the wider deepening of the Economic and Monetary Union (EMU).
- Design tax/benefit policies to support redistribution of income and wealth, reduce poverty and inequality, and to adequately fund social protection and services. This should include promoting more progressive income and wealth taxes, increased corporation, inheritance and property taxes and increased tax collection, tackling evasion/avoidance.
- Propose a shift towards a more social/sustainable economic model transforming the Semester into the Social and Sustainable Development Semester driven by the Annual Social and Sustainable Development Survey, underpinned by the EPSR and the SDGs. A first step could be to rename it as the European Semester for economic and social coordination with an Annual Inclusive Growth Survey.

2. Set out an Action Plan to implement the European Pillar of Social Rights

- Agree an action plan/road map that will specify, with a timeline, how all 20 principles of the Social Pillar will be implemented and monitored through the European Semester at all stages (Country Reports, CSRs/NRPs).
- Embed a more systematic and comprehensive annual review of progress of the EPSR implementation at EU and national level, involving stakeholders including civil society organizations as equal partners, including revising Guidance for Member States requiring them to specifically report on implementation of the EPSR.
- Increase the coherence of the Social Scoreboard, with additional indicators linked to all principles, and monitor both headline and secondary indicators.
- Ensure that negative scores in the Social Scoreboard (e.g. declining impact of social transfers on poverty) and benchmarking (e.g. minimum income and minimum wages) trigger automatic policy analysis in the Country Reports and specific CSRs.
- Confirm the need to go beyond mere convergence around EU averages to reflect national ambition to deliver on rights and principles, delivering on ambitious national targets and benchmarks.

3. Reduce poverty with an integrated antipoverty strategy based on Active Inclusion

- Reinstate the full 3 pillar integrated approach to Active Inclusion as basis for a dynamic rights-based strategy to fight poverty – based on personalized support into quality jobs, adequate minimum income and social protection and access to quality services for all, including social and all essential services.
- Invest in specific integrated strategies for key target groups based on agreed EU approaches eg Investing in Children, tackling homelessness and housing exclusion.

- Better measure extreme destitution and prioritize measures to tackle its specific challenges particularly for children/poor families, homeless, and migrants.
- Ensure adequate financing, by investing in adequate social systems including with increased taxes and tax justice.

4. Invest in adequate income for all - Guaranteeing minimum income and social protection as a social right

- Require urgent investment and increased funding on social protection/minimum income systems particularly where there are negative indicators on social spending and its effectiveness.
- Give priority to CSRs that require increases in adequacy, coverage and take up of adequate minimum income and social protection throughout the life course for all where social transfers fail to take people out of poverty (60% AROP threshold).
- Challenge the use of negative conditionality to access benefits (through harsh activation/sanctions) as an attack on social and fundamental human rights and promote positive incentives and personalized support. Ensure coherence of macro-economic guidance/CSRs to support more inclusive growth through increased social investment in social rights and social inclusion and by stopping austerity cuts.

5. Give priority to fair living wages and personalized support into quality jobs

- Invest in quality jobs which guarantee employment and social protection rights, including for the self-employed.
- Ensure all countries have national minimum wages and increase levels to living wages that take people out of poverty and tackle growing in-work poverty.
- Support a positive hierarchy for adequate wages above adequate minimum income, providing positive incentives to work, rather than driving down minimum income levels. Ensure they actual living standards captured in reference budgets and are benchmarked to 60% of the average wage.
- Prioritize personalized, wrap-around support into quality jobs, including investing and supporting social services, as part of an integrated Active Inclusion approach based on a case management approach, rather than negative activation practices based on conditionality and sanctions. Measure short and long-term outcomes of activation measures and promote indicators for quality and sustainable jobs as key for measuring the success of the employment target, to complement the employment rate.

6. Promote a holistic approach to education and lifelong learning as a social right

- Adopt a comprehensive vision of rights to education and lifelong learning that goes beyond the needs of the labour market, to promoting personal and community development, encouraging empowerment and active citizenship.
- Reverse austerity cuts and invest in free, universal public education for all as a social right, attacking discrimination and segregation, ensuring no child/adult is left behind
- Promote pro-active measures that work together with the people themselves to promote inclusion for all groups: women, ethnic minorities, people with disabilities, migrants and people facing poverty and social exclusion.
- Reinforce quality and inclusive lifelong learning beyond employment, needs by supporting informal and non-formal learning supporting personal + community development.
- Ensure focus on 'skills' for work are adapted to real needs of people currently excluded from the labour market, including 2nd chance and adult education.

7. Prioritize the right to essential, affordable services – particularly housing and health

- Give priority to implementing Principle/Right 20 of the Social Pillar ensuring access to all essential services, including energy, water, transport, digital, and financial services as a precondition for preventing and reducing poverty, generating social cohesion, and underpinning sustainable growth.
- Stop austerity cuts and ensure that services are quality, affordable and accessible.
- Give particular priority to public investment in public services, including early childhood care and learning, universal health and care services, ensuring that they are free/affordable at the point of use.
- Support regulation to ensure key essential services like energy/water are affordable.
- Prioritize investment in affordable housing, particularly social housing, and consider instruments to regulate private sector rents. Increase housing allowances to cover real costs and implement an integrated homelessness strategy based on a *housing first* approach.

8. Use EU funds and Reform Support instrument to support social investment in social rights

- Promote social impact screening of proposals to link EU funding priorities to CSRs, ensuring that positive Social CSRs are supported and prevent negative social impact from other CSRs, particularly requiring cost-cutting to key services.
- Introduce new guidelines for the Reform Instrument to ensure equal investment in social reforms to implement social rights, particularly investment in adequate minimum income, social protection, affordable quality health and long-term care, social housing and assistance for the homeless, early childhood care and education.

9. Make civil society equal partners in the European Semester!

- Give clear advice in the NRP Guidance Note requiring increased engagement with Civil Society Organizations, quoting Recital 11 of the new Integrated Guidelines and building on references in the AGS.
- Develop compulsory Guidelines to support meaningful engagement with civil society organisations in regular structured dialogue in the Semester at national as well as EU level, including with European Semester Officers.
- Provide equal resources on a par with social partners, to support NGOs and ensure effective engagement of people with direct experience of poverty/ exclusion.
- Monitor the effectiveness of engagement including through participative stakeholder surveys and by developing quality indicators, monitored systematically through the country reports, JER and the AGS.

EAPN Response: Draft Joint Employment Report 2019

I. Introduction

The Draft Joint Employment Report (JER) from the Commission and the Council is an important Annex of the Annual Growth Survey, published annually by the European Commission as part of the Autumn Package. It aims to provide an overview of employment and social developments, as well as of reform action taken by Member States, and it draws on the Guidelines for the Employment Policies of Member States (5-8). These have been revised in July 2018, so as to adequately reflect the European Pillar of Social Rights (adopted in November 2017), also featuring a new Recital 11, for the first time acknowledging the key role of civil society in implementing the Guidelines⁸. The Report has a total of 169 pages.

The structure of the Report this year is fully aligned with last year's, following the same headings that were introduced in 2017 to **take full account of the European Pillar of Social Rights and its Social Scoreboard**. Similarly to the previous edition, it begins with an overview of the Key Messages of the findings. Chapter 1 is dedicated to an *Overview of Labour Markets and Social Trends and Challenges in the European Union*, covering the same two subheadings, namely labour market trends and social trends across 8 pages (same number of pages as last year). Chapter 2 is entitled *Snapshots from the Social Scoreboard*, is dedicated to explaining this **new set of indicators, which are part of the Social Pillar package**.

Chapter 3 of this year's edition is entitled *Employment and Social Reforms – Member States Performance and Action*. As always, this constitutes the bulk of the Report, dedicating **significant subchapters to each of the 4 Employment Guidelines**, each of them monitored through subsections on Key Indicators and Policy Responses. The Introduction to the Report clarifies that Chapter 3 now also includes the new Social Scoreboard Indicators. The document ends with the usual Annexes of Social Scoreboard Headline Indicators and the Methodological Note, but also a very useful Summary overview of the employment and social 'trends to watch', according to the Employment Performance Monitor and the Social Protection Performance Monitor.

As last year, there seems to be **increased consistency between the main Annual Growth Survey and the findings of the Joint Employment Report**. However, the latter continues to constitute, **mainly, a stock-taking exercise**, listing country statistics and policy measures, **without complementing them with enough in-depth qualitative analysis, or policy guidance**. The reference only to the Social Scoreboard indicators does not currently constitute a systematic assessment of the 20 principles of the European Pillar of Social Rights.

We are highlighting below EAPN's perspective on the opportunities features in this year's JER, as well as the concerns which, in our view, still mar the sustainable and inclusive development of Europe, as well as endanger delivery on the poverty and other social targets of the Europe

⁸ Recital 11 of the [Council Decision on guidelines for the employment policies of the Member States](#): "The Integrated Guidelines should form the basis for country-specific recommendations that the Council may address to the Member States. Member States should make full use of the European Social Fund and other Union funds to foster employment, social inclusion, lifelong learning and education and to improve public administration. While the Integrated Guidelines are addressed to Member States and the Union, they should be implemented in partnership with all national, regional and local authorities, closely involving parliaments, as well as social partners **and representatives of civil society**."

2020 strategy, and on the implementation of the Social Pillar. A snapshot of the main findings of the Joint Employment Report can be found in the Annex at the end of this document.

II. What Opportunities?

- This year's Joint Employment Report contains two explicit mentions (in the Key Messages and Overview of trends) to the fact that **the number of people at risk of poverty and social exclusion remains very high** (113 million people or 22.5% of the total population), and that the **Europe 2020 poverty-reduction target is far-off** (page 4, 17). It equally acknowledges the particular high risk for **children** (p. 19, 132), **migrants** (p. 133), older women (p. 145), and that the **depth of poverty** remains high, on average 25.4%, compared to 26.2% last year. (p. 134).
- The **Social Scoreboard indicators are fully incorporated in the analysis**, including the recognition that social transfers are not performing well in reducing poverty, acknowledging that **countries with the highest poverty rates also have the weakest impact of social transfers** (p. 137), showing the inadequacy of benefits in providing real safety nets (p. 10), and that **growth is not as inclusive as it could be** (p. 4).
- Highlights that key **role of minimum income schemes**, which should combine adequate levels of support with access to enabling goods and services, and calls for **improved adequacy of these schemes**, as well as **adequacy and coverage social protection overall**, including pensions (p. 10, 154-155) – a fundamental element in combating the depth of poverty, as well as in-work poverty and tackling income inequality (p. 5, 130, 138 – 140, 153).
- **Affordable, inclusive and high-quality education and training** are specifically supported (p. 7, 78, 79, 80, 82), as well as efforts towards **better recognition of skills and qualifications**, including those acquired informally (p. 80), while it recognises the persisting issue of the **digital divide**, including its impact on poverty and social exclusion (p. 7, 61).
- **Socio-economic background is recognised as strongly influencing educational outcomes** (p. 7, 54), alongside gender and migrant status (p. 53); the specific situation of **Roma pupils** is highlighted, attributed to school and housing segregation, non-inclusive teaching, and severe poverty (p. 55).
- Explicitly mentions **housing of good quality**, and stresses that challenges remain in this area (p. 142); points out the **disproportionate burden of housing cost** (only 85 million people would experience poverty without housing costs, whereas with housing costs, the number goes up to 156 million - p. 143); highlights **rising rents**, which compound poverty and social exclusion, while it stresses that **homelessness remains high and has increased** in all Member States except Finland (p. 143); praises some policy efforts to counter these trends (p. 154)
- Recognises that **access to services**, an integrant part of Active Inclusion, **is still hindered** particularly in the case of groups already in a disadvantaged situation (p. 142), and that **costs and waiting time** remain important barriers for the **accessibility**

- of healthcare (p. 148), while pointing to some positive measures to reduce out-of-pocket pensions are mentioned (p. 156). Latvia is highlighted as a *critical* situation.
- Acknowledges **lower employment outcomes and existing barriers for people with disabilities**, and stresses the importance of labour market integration in fighting social exclusion and improving quality of life; also recognises the **importance of quality work**, as people with disabilities are at a higher risk of in-work poverty (p. 77 -78); **adaptation of workplaces and possibility to combine disability benefits with income from part-time work** are praised (p. 90), as well as measures aimed at improving access to benefits for people with disabilities (p. 153).
 - Recognises that **people with a migrant background, particularly women, are at higher risk of both unemployment, and in-work poverty** (p. 75), which is also true for second generation, and that high skills don't automatically translate into better employment outcomes, resulting in an underuse of migrants' skills (p. 77).
 - Mentions the **importance of tackling the gender pay and pension gap** (p. 5, 71, 88); flags up that particularly **migrant women** have a harder time in accessing the labour market (p. 75), while **women overall are more likely to be in part-time jobs**, 22.5% of which is involuntary (p. 70, 71), as well over-represented in lower paid jobs and underemployment (p. 5, 71); **supports better work-life balance** for women with caring responsibilities, and advocates for a better sharing of such responsibilities between women and men (p. 5, 72, 87), as well as **better access to affordable and high quality childcare and long-term care** (p. 5, 73, 75) and working time arrangements for carers (p. 120).
 - Stresses the **provision of unemployment benefits of reasonable duration** as a key element of activation policies (p. 8, 104), highlighting that the maximum duration of benefits continues to be shorter than the contribution period in most Member States (p. 106); acknowledges the persistence of long-term unemployment (p. 98), seen as a failure of active labour market policies (p. 98).
 - Explicitly speaks about the provision of **individualised services**, including for the long-term unemployed (p. 121, 124) and the design of **individual action plans and personalised counselling** (p. 9, 108), as well as **increasing the capacity and efficiency of Public Employment Services** (p. 122-123), including minimum standards and measuring satisfaction, though it falls short of an integrated Active Inclusion approach. For the first time, upon agreement with the Employment Committee, the Report looks at the additional indicator of **strictness of job-search requirements for jobseekers** (p. 104, 108).
 - Recognises that **wage growth remains moderate and has slowed down in 2017**, compared to 2016 (p. 36), that it stood below productivity growth (p. 37), while increases in consumer prices were not matched by the rise in compensation (p. 36). Acknowledges the **persistence of in-work poverty**, which remains well above at pre-crisis levels (8.6% in 2008 to 9.6% in 2017), and highlights the **key role of wage growth in reducing income inequalities and in-work poverty** (p. 18, 40-42, 134).
 - Stipulates that **labour market segmentation continues stable throughout the EU**, with temporary contracts not leading to stable employment - on average, only 24% make

the transition (p. 91, 92), while over half (and above at 70% in 12 Member States) is involuntary (p. 16, 93); praises efforts by Member States to curb and regulate the use of such contractual arrangements (p. 118). Recognises that **temporary workers experience lower job quality and are more than three times as likely to be at risk of poverty** (p. 96-97), that people in non-standard or self-employment are disadvantaged when accessing and accruing pension rights, with substantially higher poverty risks (p. 8, 146-147), the trap of **bogus self-employment** (p. 95).

- While youth employment is improving, the Report points out that the employment recovery does not always lead to quality job creation, as **young people are more often employed under non-standard and precarious types of contracts**, including temporary jobs, involuntary part-time work, and lower wage jobs (page 66, 93); the ESF+ regulation is supposed to also foster social inclusion at a minimum share of 25% - which is encouraging, as long as that is not understood as merely supporting employment measures (p. 86).
- Includes positive language around **undeclared work**, highlighting initiatives that penalise employers and better inform workers of their rights (p. 120-121), and acknowledges the **positive contribution of social enterprises** (p. 46).
- Supports **social dialogue as a key element of the European social market economy**, including strengthening its capacity, coverage, resources, and engagement opportunities, particularly in the context of new forms of work (p. 112-116), while stating that that **stronger collective bargaining tends to be associated with lower earnings inequality** (p. 42, 49).

III. Key Concerns

- **The main message of the Report is that poverty rates are reducing across the board, not that poverty remains unacceptably high**, with 113 million Europeans at risk, while that the Europe 2020 target is completely out of reach (p. 132). There is a **marked tendency to focus on the positives while downplaying remaining challenges**. While the richest 20% own still over 5 times more wealth than the poorer 20%, the Report rejoices that the income inequality has decreased from 5.2 to 5.1., and further measures dedicated to reducing income inequality occupy 7 lines of the text.
- **The Europe 2020 poverty reduction target is only mentioned in the Key Messages and Overview of Employment and Social Trends summaries**, while there is no reference to it in the actual Chapter 3.4, nor a review or proposals of policies towards reaching it. Shifting the measurement from concrete progress on common targets to mere convergence towards EU averages (not even upward convergence) is lowering ambition in a race to the bottom, and to the minimum common denominator.
- There is **little analysis or priority given to the main negative results of the Scoreboard, nor are policy proposals** triggered to address shortfalls. The Scoreboard indicators only measures in comparison to the EU average, rather than ambitious goals, while big gaps between countries persist, with particularly high in Romania (41.7%), Bulgaria (41.6%) and Greece (36.2%).
- **There is insufficient systematic analysis of all the 20 principles of the European Pillar of Social Rights, and the Scoreboard indicators are not sufficiently clearly linked**. Important indicators are still missing, such as child poverty, depth, in-work poverty etc, which appear in the broader dashboard of the Social Protection Performance Monitor.
- The **decreasing ability of social transfers to reduce poverty** (in 11 Member States, with 5 of them faring as *critical*, which highlights weakened adequacy and is a direct driver of poverty), **should have been one of the main policy areas tackled**, instead the Report is casual about it, considering it a natural effect of automatic stabilisers having run their course after the crisis.
- **A roadmap for follow up on the benchmarking exercises** is also needed, to set out how the mutual learning on these crucial areas will lead to upward social convergence on key social rights.
- The Report features a **lack of coherence and mainstreaming of social concerns**, no integrated approach to tackling interconnected issues, and appropriate links are not drawn enough between the analysis of employment, education, and other measures, and the risk of poverty. **Active Inclusion is mentioned only in passing** and reduced to integrated service delivery and one-stop shops, while **the situation of those unable to work are not effectively captured**. The chapter dedicated to Guideline 8 is very thin – 18 pages – compared to 90 on labour market and skills (20 on enhancing labour demand, 40 on labour supply and skills, and 30 on labour market).

- The Report does **not include any recognition of the impact of austerity and cuts in public spending**, and no coherent, mainstreamed rhetoric that would support strong public investment to counter it. Although social protection expenditure rose in all Member States, as a percentage of GDP it only rose in 7, and fell in 16, while the range of expenditure is vast: between 31.9% of GDP in FR, to less than 15% in LT, LV, and RO.
- **Social protection still not viewed as a right, but an activation tool**, and even minimum income (which is last resort social assistance) is seen as a back-to-work lever.
- While **socio-economic background** as a key factor for educational attainment is mentioned, it seen as ‘major obstacle to human capital improvement’ only, and there are no proposals to tackle it. Child poverty is highlighted, but **nothing is said about addressing poverty in families** and providing wrap-around support for parents. The analysis of early school leaving and Roma segregation only looks at supporting schools, not students or their families. Similarly, while the text laments low participation of the lower skilled and older people in adult learning, as well as low levels of basic and digital skills, an analysis of the root causes and solutions is missing, with **no proposed policies to tackle structural causes and support better outcomes** for these groups. All is mentioned is financial incentives to employers to provide more training opportunities to employees.
- **Education is seen almost exclusively in terms of labour market relevance** and the impact of low skills or lack of access on employment prospects – but there is no inclusive vision about personal development. There is a focus on improving the quality and the relevance of the training offered to jobseekers, but no proposal for an accompanying analysis regarding how many have actually accessed quality, sustainable employment as a result.
- **Discrimination is not mentioned anywhere** in the Report, on any ground, nor are policies aimed at combatting it showcased. The **focus concerning migrants is chiefly on their integration in the labour market**, rather on the broader social and societal inclusion of migrants (including undocumented). Regarding **older workers**, measures to support longer working lives are limited to financial incentives and subsidies to employers, rather than investing in adapting workplaces and combating ageism.
- **Reductions in social security contributions are still praised** as a lever for increasing employment, though the **sustainability of social protection systems in absence of this source of revenue is not discussed**, in contradiction with Guideline 5, which explicitly mentions “protecting revenue for adequate social protection”. Equally, **some of the reviewed reforms in employment rights and protection** are very damaging, making dismissals easier and more difficult to appeal and reducing notice periods.
- Although the indicator on *Children less aged than 3 years in formal childcare* is part of “Public support for social protection and inclusion” Scoreboard section, the Report reviews it exclusively from an access to the labour market perspective (ie, reducing the employment gap of mothers), with **no considerations regarding the rights and wellbeing of the child**, nor links made to key thematic integrated strategies, such as the Investing In Children Recommendation.

- There is a **lack of attention paid to quality jobs** as a concept, and the increases in employment rate are not accompanied by information regarding what kind of jobs. The only such information is present in the Key Messages, where it is actually recognised that the growth in employment only relates to the numbers of employed people, not of hours worked. While Guideline 5 explicitly refers to “the creation of quality jobs” and encourages “forms of work which create quality job opportunities”, **an analysis of quality and sustainability does not accompany the section dedicated to job creation policies.**
- Despite positive rhetoric about the positive role of wages in combating poverty and social exclusion, the Report suggests that **increasing wages could lead to reduced employment opportunities**, while there are also concerns that the new agreed Scoreboard indicator on wages (single worker without children earning an average wage) fails to capture most realities and obscures pockets of in-work poverty.
- The Report seems to feature a rather **explicit endorsement of negative activation through sanctions**, where strengthening of activation requirements and tightening eligibility are praised, unemployment benefit systems are perceived as potential disincentives to work, first refusal of a job offer is seen as reasonable for incurring benefit sanctions, and jobs involving up to 2.5h daily commute considered ‘suitable’.
- While platform economy is mentioned, **very little attention is paid to new forms of work**, and there is no mention of digitalisation, robotization, the gig economy, or the impact of globalisation and labour migration. Instead, labour mobility is encouraged and praised, without an accompanying analysis of as to what causes it (ie, a lack of opportunities in the country of origin) or the effects (brain drain).
- **There is no qualitative examination of the Youth Guarantee** with little to no considerations about the quality and sustainability of the employment and education measures proposed, or about income support measures. Inactivity rates of young people and the situation of NEETs is catalogued, but very little explored, with almost no solutions proposed and very few good practices shown, highlighting a **lack of comprehensive support and outreach initiatives, rooted in Active Inclusion.**
- While the role of social partners is detailed over 4 and a half pages, **only one paragraph and two mentions are dedicated to civil society**, and that only in the context of Guideline 7 – not overall. Additionally, unequal and poor civil society engagement is deemed due to its own capacity to get organised and engage in policy debate, rather than a lack of mechanisms for structured engagement, featuring clear guidelines for meaningful contributions and adequate support to back this involvement.

Annex 1

Main findings of the Draft Joint Employment Report 2019

The following represents an uncritical snapshot of the main information which can be found in the 2019 Draft Joint Employment Report. For EAPN's analysis and positioning regarding these raw findings presented in the Report, please see the previous section.

- **13 of the 14 indicators in the Social Scoreboard register progress**, while challenges to the specific principles are identified for a majority of Member States. It is noted that “economic recovery is not yet benefitting all citizens and countries”, and that more reforms are needed to improve the “inclusiveness, resilience and fairness of labour markets and social protection systems”.
- The **share of people at risk of poverty and social exclusion has decreased** for a 5th consecutive year and fell below 2008 levels, **though it remains unacceptably high at 113 million people**, or 22.5% of the total population (2017), making the Europe 2020 poverty reduction target out of reach. The reduction is attributed to decreases associated to material deprivation (lowest level in recent history) and low work intensity households (first time since 2009). While the overall AROPE figure has decreased for five years running, this is the first year there is a decrease in the AROP indicator, and it is still above 2008 levels. **Persistent gaps in adequacy of social benefits are identified as a trend to watch by the Social Protection Committee**. Groups most at risk are said to be children (slight decline from 26.4% to 24.5%), people with disabilities (31.2% in 2016), and migrants. The AROP rate for single parents is twice as high, while 1 in 5 older women (over 65) is in poverty.
- **Income inequality decreased slightly for the first time since the crisis**, though it remains high: the richest 20% had a disposable income 5.1 times higher than the poorest 20% (from 5.2 in 2016). The design of minimum wage setting and tax and benefits systems, and improving access to education and healthcare, social protection and the labour market, are identified as key factors in combatting this trend.
- **Household disposable income has risen at a steady pace**, though more slowly than GDP, which raises questions about redistribution – ie, the inclusiveness of growth. Improving the **adequacy of social benefits, including minimum income schemes, is credited as an important factor, while the measured impact of social transfers (excluding pensions) continues to decline**.
- **Coverage and adequacy of social protection systems is said to have been strengthened**, including better access for non-standard workers and the self-employed, improving minimum income schemes and combining adequate levels of income support with access to enabling goods and services and the labour market, underpinned by an **Active Inclusion** approach, the Report claims.
- **The Employment rate stands at 73.2%** (second quarter of 2018), within reach of the 75% employment target of Europe 2020 (though some countries still lag behind) and representing a record level for the EU. The largest increase is registered for older workers (55+) and women, as in previous years.
- **The Unemployment rate stands at 6.9%** (second quarter of 2018), the lowest level in the past ten years, however it remains significantly high in some Member States (GR, ES, IT, HR, CY), and it reflects more people in work, but a decrease in number of total hours worked – so not full time employment. Long-term and youth unemployment also decreased, but remain a concern.

- **High disparities remain between groups** – the low-skilled, young people, migrants and people with disabilities still face difficulties in accessing employment, while the access to the labour market of women, older workers, and the high-skilled has improved. NEETs⁹ rate is reducing (now 10.7%, pre-crisis level). Women still face the gender pay and pension gap and inadequate work-life balance.
- **High labour market segmentation remains an issue**, as the incidence of atypical forms of employment remains stable, with more than half of employees with a temporary contract (reaching 70% in 12 Member States) are “involuntary”, which calls for measures to improve quality of work and employment and to combat in-work poverty (which remains high at a stable 9.6%). Platform workers have reached 2% and are rising, which justifies policies to adequately regulate this area.
- **Wage growth remains below productivity** and lags behind pre-crisis levels – however, statutory minimum wages were increased in several countries, which can help curb in-work poverty. The Report states. This is trend to watch.
- **Adequate, accessible unemployment benefits of reasonable duration are key**, but it is also highlighted that most active labour market policies aim at strengthening conditionality and obligations. Coverage of atypical workers remains an issue. Reinforcing Public Employment Services and providing individualised services remains an objective.
- **The EU is on track for reaching the Europe 2020 educational targets** (early school leaving at 10.6%, and tertiary education completion rates at 39.9%), but it is noted that socio-economic background remains a deterrent, basic skills levels are still low, and more investment is needed in quality education.
- **Significant gaps remain in terms of digital skills**, it is said, with over 40% of adults not having them (reaching 70% in some Member States), which hinders access to the labour market, services, and social inclusion. Improvements of the relevance and recognition of qualifications, including supporting disadvantaged groups to access education and training, are recommended.
- Areas still requiring attention: **demographic change** and the necessity for pension, health and long-term care systems to adapt to rising life expectancy, including by ensuring pension adequacy and poverty prevention; providing better access to **affordable and quality health and long-term care**, including reducing costs and waiting times, and support for family and informal carers; **improving access to housing and curbing housing-related expenditure**.
- **Engagement with societal stakeholders is seen as a key element** of the European Social Market economy, with the important role of civil society in the design and implementation of reforms explicitly mentioned, though not on the same level with social partners.

⁹ Young people *neither in employment, education, or training*.

Social Scoreboard of the European Pillar of Social Rights

The European Pillar of Social Rights, adopted on 17 November 2017, includes a Social Scoreboard, to monitor performance and track trends in the Member States, around a number of headline indicators. The monitoring process looks at levels and yearly changes of the headline indicators, as compared to EU averages, and classifies Member States in one of seven categories: *best performers, better than average, good but to monitor, on average / neutral, weak but improving, to watch, and critical situations*. The statistical results are to be interpreted in conjunction with qualitative analysis provided in Chapter 3 of the Joint Employment Report, as well as the Country Reports, to be released in February 2019, which will provide in-depth analysis and additional socio-economic background to qualify country-specific challenges in the context of the European Semester. This will underpin the Country-Specific Recommendations.

The headline indicators of the Social Scoreboard are:

Equal opportunities and access to the labour market:

- ♣ Share of early leavers from education and training, age 18-24
- ♣ Gender gap in employment rate, age 20-64
- ♣ Income inequality measured as quintile share ratio - S80/S20
- ♣ At-risk-of-poverty or social exclusion rate (AROPE)
- ♣ Young people neither in employment nor in education or training (NEET rate), age 15-24

Dynamic labour markets and fair working conditions:

- ♣ Employment rate, age 20-64
- ♣ Unemployment rate, age 15-74
- ♣ Long-term unemployment rate, age 15-74
- ♣ Gross disposable income of households in real terms, per capita
- ♣ Net earnings of a full-time single worker without children earning an average wage

Public support/Social protection and inclusion:

- ♣ Impact of social transfers (other than pensions) on poverty reduction
- ♣ Children aged less than 3 years in formal childcare
- ♣ Self-reported unmet need for medical care
- ♣ Share of population with basic overall digital skills or above

Some Concerns

While the Scoreboard is a useful addition to the toolbox used for monitoring the social situation on the ground, some areas of concern remain. For example, there are no clear procedures to trigger policy recommendations (including Country Specific Recommendations) on negatively performing indicators, which makes one wonder about the usefulness of such a tool, if it does not prompt a revisiting of policies. Also, the Scoreboard measures convergence, not even upward convergence – ie, how close or far the performance of a Member State is compared to the EU average. If the EU overall performs poorly on a certain indicator, this is not captured, rather the Scoreboard will indicate that the de facto best performers fare worse on convergence to the EU average. It is also not clear how the indicators relate to, and capture, the diversity of the 20 policy areas of the European Pillar of Social Rights. For example, while there is an indicator dealing with childcare, there isn't one on child poverty, which is referred to in the EPSR principle. Equally, it is worrying that the combined at risk of poverty and social

exclusion indicator is placed under the heading dealing with access to the labour market. EAPN members also feel that most indicators are rather context-oriented, but don't quite capture what each Government is doing to achieve the agreed objectives of all the principles/rights of the Social Pillar, so they should be complemented with specific indicators, such as number of childcare facilities, healthcare facilities, homeless shelters created during a given year, number of social housing units built, indicators on social investment and social spending in general etc. In EAPN's position paper responding to the European Pillar of Social Rights (see [here](#)), we make a strong case for complementing the existing Scoreboard with more in-depth indicators on extreme poverty (ie, persistence and/or intensity of poverty and homelessness), in-work poverty, benchmarking of minimum income, adequacy of social protection and unemployment benefits, as well as child poverty, and the full integration of the EIGE gender equality index. Coherence with existing mechanisms, such as the Employment Performance Monitor and the Social Protection Performance Monitor needs to be clarified and ensured.

The main findings based on the Social Scoreboard, as included in the Report, are reprised below. It is important to stress again that these don't measure progress towards common, ambitious targets, but merely indicate how far a Member State is from the EU average. In other words, the indicators measure convergence towards averages, not upward convergence towards established goals.

- Across the 14 headline indicators above, **13 recorded an improvement as compared to last year** (2017 or 2016, depending on data availability), **with 1 deteriorating – impact of social transfers on poverty reduction.**
- There are **39 critical situations** (11% of the assessment, compared to 13% last year), where half of the Member States (13) are flagged; the aggregated number of *critical situations, to watch*, and *weak but improving* is 117 situations (31% of the assessment, compared to 33% last year), where most Member States are flagged at least once (except DE, FI, FR, NL, SE). Greece, Romania, and Italy fare as *critical, to watch*, or *weak but improving* on ten or more indicators.
- **Most problematic areas** per category are: public support/social protection and inclusion (average of 9.3 cases, of which 3.5 *critical*; most salient: **impact of social transfers on poverty**, 11 cases, of which 5 in the bottom category); equal opportunities and access to the labour market (average 8.6 cases, of which 3.2 *critical*; most salient: **early leavers from education and training**, 10 cases), and dynamic labour markets and fair working conditions (average 7.4 cases, of which 1.8 *critical*; most salient: **net earnings of a full time single worker without children earning an average wage**, 12 cases).
- **Most significant progress** was overall and long-term **unemployment rates**, with only one *critical situation*, and improvement in all other Member States; positive developments were also registered across the board in **employment rate and at-risk-of-poverty or social exclusion rate**, in a large majority of Member States.
- Regarding **public support and social protection and inclusion**, the most significant improvements were in the areas of childcare availability, self-reported unmet need for medical care, and digital skills, while the situation worsened in terms of impact of social transfers on poverty reduction. On the ability of social transfers to reduce the risk of poverty, BG, GR, IT, LV and RO are considered *critical*, while DK, FI, HU and SE are *best performers*. For childcare participation, BG, CZ, GR, PL, SK are *critical*, while FR, LU, NL, PT are *best performers*. LV faces a *critical situation* in terms of self-reported unmet need for medical care (no *best performers* identified through the methodology, while 12 countries are *better than average*).

- Regarding **equal opportunities and access to the labour market**, the most significant improvements were, on average, in terms of AROPE and NEET rates, with less advancement in areas such as early school leaving, gender employment gap, and income inequality.
- Regarding **dynamic labour markets and fair working conditions**, all indicators (employment and unemployment rates, disposable household income, net earnings of a full-time single worker) registered improvement.

Benchmarking

Benchmarking was identified by the Communication establishing a European Pillar of Social Rights (26 April 2017) as a key vehicle to support the implementation of the Pillar through the European Semester. The Social Protection Committee and the Employment Committee have agreed on a common methodology, consisting of: a) identifying key challenges and setting high-level outcome indicators; b) identifying performance indicators; c) identifying policy levers, accompanied by general principles on policy guidance and, when available, by specific indicators. However, for the time being, reference values for policy levers are not set, and the aim continues to be comparing performance across Member States.

The current European Semester (2019) will fully integrate, upon recommendation of the Social Protection Committee, the benchmarking framework on *Minimum Income Schemes*, covering elements such as adequacy, coverage, and activation, including interaction with in-kind services (healthcare, education, and housing). The benchmarking exercise on Minimum Income was very welcomed by the Minimum Income Network ([EMIN](#)), as it has ensured greater visibility for the topic, and has served to highlight trends in this area. The general assessment is that of an improvement in the adequacy of Minimum Income in a number of countries, but it has to be recognized that these improvements are often on the basis of intolerable low starting points. Some 20 countries still have minimum incomes which are below 60% of the at-risk-of-poverty threshold. As well as the two measures used (at risk of poverty threshold and income of low wage earner) EMIN has demonstrated the need to develop well-constructed reference budgets, to measure the robustness of these indicators and the minimum income levels.

Another benchmarking exercise, conducted in the framework the 2018 European Semester, was the one on *Unemployment Benefits and Active Labour Market Policies*, looking at eligibility and adequacy, and was included in the previous edition of the Joint Employment Report and the Country Reports, while elements such as availability-to-work conditions attached to receiving unemployment benefits were included in the European Semester 2019 upon a recommendation of the Employment Committee, and feature in this Report. This could be a very worrying development, opening the door to negative, punitive activation policies on the ground. The European Semester 2019 will also include, as agreed with the Employment Committee, the results of benchmarking on *Adult Skills and Learning*, while future such exercises, for example on pension adequacy, are being contemplated.

Annex 2

Status of the document

This EAPN assessment is issued on behalf of the EU Inclusion Strategies Group (EUISG) which has delegated powers within EAPN to develop EAPN Policy Position papers and reports. The response was drafted by Sian Jones and Amana Ferro (EAPN Policy Team) based on EAPN letter to Juncker with proposals for the AGS 2019 in November 2018 drawn from members analysis of the 2018 Semester, and in particular the NRPs, with a discussion in the EU Inclusion Group meeting in Vienna in September. The draft was circulated to the entire membership on the 10th December with a month for inputs. 4 inputs were received from EAPN Finland, Ireland and Portugal, and European Organization member: Eurodiaconia. All inputs were incorporated in the final document which was finalized on the 21 January.

Diversity of opinion within civil society

Whilst EAPN members have a range of views on certain topics, all members are united in working to bring about a Social Europe, free of poverty and social exclusion with access to economic, social and cultural rights for all. Members are united by our vision and our values, which can be found here.

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The European Anti-Poverty Network (EAPN) is an independent network of non-governmental organisations (NGOs) and groups involved in the fight against poverty and social exclusion in the Member States of the European Union, established in 1990.



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This publication has received financial support from the European Union Programme for Employment and Social Innovation "EaSI" (2014-2020). For further information please consult: <http://ec.europa.eu/social/easi>

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