

European Semester 2019 – more social and more investment

Eurochild assesses the Country Specific Recommendations released by the European Commission in their Spring Package to the European Semester

Introduction

The final stage of the 2019 European Semester cycle arrived on June 5 with the publication by the European Commission of the Country Specific Recommendations. These recommendations aim 'to encourage Member States to increase their growth potential by modernising their economies and further strengthen their resilience'. In essence, **the Country Specific Recommendations(CSRs) are intended to assist national governments shape national budgets and reforms for the year ahead**. This year's recommendations are mostly focused on fiscal sustainability, education & labour activation, and low carbon & energy transition. Some Member States have also received recommendations to invest in transparency and engagement with stakeholders.

The European Semester and the next EU Budget

This year the CSRs have an increased emphasis on investment, following the trend of the earlier published Annex Ds in the Country Reports. However, it is important to distinguish between the CSRs and the Annex Ds. **The Annex Ds are intended to frame the investment priorities of EU funds for the 2021-2027, while the Country Specific Recommendations refer to the broader investment needs of the whole economy.**

Overall, the CSRs continue to be focused on economic rather than social policy. Issues such as employment and education are situated primarily as tools to ensure growth and address weaknesses in Member States' economies (labour activation and digital skills development respectively). That said, it is important to highlight that:

- **There is greater attention to social issues reflected in the CSRs than previous years;**
- **Children and child poverty are not as explicitly targeted as Eurochild had called for.**

Are the 2019 CSRs 'more social'?

Overall, yes, this year the Country Specific Recommendations are continuing to better align the European Semester with the social policy tools of the European Commission - the European Pillar of Social Rights (EPSR) and the Social Scoreboard. In its accompanying Memo, the Commission highlighted that almost half of the CSRs address 'the social', namely employment, education and social issues.

Deinstitutionalisation in the Country Specific Recommendations

Unfortunately, not one country got a recommendation promoting the transition from institutional to family and community based care. There are however, CSRs that call for **inclusive education** (Roma + other disadvantaged groups, people with migrant background), **employment of disadvantaged groups**, and **equal access to social**



services. In the country overviews that precede the recommendations, there are references to community services that link to deinstitutionalisation, including home care and community-based care.

But what about the children?

While the emphasis on social outcomes is welcomed, **the 2019 CSRs contain little direct reference to children or child poverty.** While 6 (21%) of the 28 country specific recommendations contain references to child poverty in the texts of the country documents, this has not been translated into any specific recommendations to tackle child poverty. However, the CSRs contain crosscutting recommendations that are adaptable to services and policies that support children at risk of poverty or social exclusion. Aside from employment-based policies, these areas are education, social services, healthcare and integration of disadvantaged groups, including people with Roma and migrant backgrounds. In our initial assessment of the CSRs for all 28 Member States, we have highlighted the frequency of each of these areas in the table below:

Children's rights priority areas	% of EU Member States with CSRs on the topic
Childcare	25%
Education	71%
Social services	61%
Healthcare	40%

Closing thoughts

In our report on the 2018 European Semester, *Making social rights work for children*, Eurochild issued three recommendations for the 2019 European Semester:

1. Put social goals on a par with the economy and employment;
2. Make children an explicit and priority focus of the Semester; and
3. Make the Semester process more transparent and inclusive.

Based on our initial reading of this year's Country Specific Recommendations, as well as our previous assessment on the Country Reports, we can see the following:

1. **Social goals have heightened visibility in this year's Semester, but are still tertiary to economic and employment policies.** However, there are some clear linkages between these policy objectives, for example with Lithuania's CSR to: "address income inequality, poverty and social exclusion, including by improving the design of the tax and benefit system."
2. **While children are not an explicit focus in the Semester, many of the CSRs are tied to issues that directly impact on poverty and the wellbeing of children.** For example Spain received a CSR to: "improve support for families", and "reduce early school leaving and improve educational outcomes, taking into account regional disparities".



Eurochild has begun its consultation with its members to assess the 2019 European Semester, to be published later this year. On 25 June Eurochild, along with [Social Platform](#), presented initial feedback on the Country Specific Recommendations to the [Social Protection Committee](#) and the [Employment Committee](#) and European Commission officials. Eurochild welcomed the opportunity to assist EU institutions make the European Semester process more transparent and inclusive, and shared comments from the perspective of children's rights on the 2019 Semester.

Overall, there are many positives to highlight with the 2019 CSRs and the European Semester process. There is a greater social dimension than previous years, the Annex Ds are an opportunity for civil society to engage with the Semester at a national level and finally there is a visible effort from EU actors to improve civil society engagement. On the other hand, while the Country Reports were promising in their reference to Eurochild's priority areas of child poverty and deinstitutionalisation, this has not been replicated in the CSRs. Further, at national level, there is still a way to go when it comes to civil society engagement. We are pleased to see CSRs that recommend improvements in this area in some Member States, and Eurochild looks forward to sharing its members' recommendations later this year in its 2019 European Semester Report.



TABLE 1 - OVERVIEW OF ISSUES COVERED IN 2019 CSRS

Broad Category	Policy areas	AT	BE	BG	CY	CZ	DE	DK	EE	EL*	ES	FI	FR	HR	HU	IE	IT	LT	LU	LV	MT	NL	PL	PT	RO	SE	SI	SK	UK		
Public finances & taxation	Fiscal policy & fiscal governance																														
	Long-term sustainability of public finances, inc. pensions																														
	Reduce the tax burden on labour																														
	Broaden tax bases																														
	Reduce the debt bias																														
Financial sector	Fight against tax evasion, improve tax administration & tackle tax avoidance																														
	Financial services																														
	Housing market																														
	Access to finance																														
Labour market, education & social policies	Private indebtedness																														
	Employment protection legislation & framework for labour contracts																														
	Unemployment benefits																														
	Active labour market policies																														
	Incentives to work, job creation, labour market participation																														
	Wages & wage setting																														
	Childcare																														
	Health & long-term care																														
	Poverty reduction & social inclusion																														
	Education																														
Structural policies	Skills & life-long learning																														
	Research & innovation																														
	Competition & regulatory framework																														
	Competition in services																														
	Telecom, postal services & local public services																														
Public administration & business environment	Energy, resources & climate change																														
	Transport																														
	Business environment																														
	Insolvency framework																														
	Public administration																														
Public administration & business environment	State-owned enterprises																														
	Civil justice																														
	Shadow economy & corruption																														

* This coverage excludes the recommendation on continuing and completing reforms in line with the post-programme commitments given at the Eurogroup of 22 June 2018.

 Policies covered in the 2019 CSRS

