



LET'S MAKE THE EUROPEAN SEMESTER SMART, SUSTAINABLE AND INCLUSIVE



**A report on the European Semester by the EU
ALLIANCE for a DEMOCRATIC, SOCIAL AND
SUSTAINABLE EUROPEAN SEMESTER**

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BACKGROUND

This 2014 EU Alliance Report on the European Semester brings together the assessments made by the members of the 'European Alliance for a Democratic, Social and Sustainable European Semester.'¹ The EU Alliance is a broad, Brussels-based coalition, bringing together major European civil society organisations and trade unions, representing thousands of member organisations on the ground at European, national, and local levels.²

The Alliance aims to support progress towards a more democratic, social and sustainable Europe 2020 strategy, through strengthening civil dialogue engagement in the European Semester, and through bringing social, equality (including gender equality) and environmental/climate challenges back to the priority agenda.³

Its main objectives are to ensure that all policies, including macroeconomic, contribute to the social, environmental/climate targets and equality commitments of the Europe 2020 Strategy, and to improve the legitimacy of the strategy through strengthening the engagement of environmental, social, equality organisations, and trade unions in decision-making processes.

This report covers the EU Alliance positions on the content and process of the European Semester. It specifically covers, but does not limit itself to, the 2014 round of Annual Growth Survey, National Reform Programmes (NRPs) and Country Specific Recommendations (CSRs).

The report has been drafted on the basis of:

- interviews with the member organisations in Brussels;
- members' publications and reports;
- study visits to the three pilot 'National Alliances' in Bulgaria, Denmark and Ireland;
- pilot National Alliance reports; and
- additional desk study of official Semester and other related documents (see Annex).

Each individual organisation within the EU Alliance retains its own distinctive voice, observations and specific policy positions. It is not possible, nor should it be expected, to reduce the full breadth and depth of knowledge and understanding that the member organisations possess into one unique position. Rather, this report seeks to highlight the areas where the members of the Alliance have a shared vision, shared concerns and shared recommendations.

EXECUTIVE SUMMARY

BACKGROUND

This EU Alliance report on the European Semester 2014 presents the assessment by the members of the 'EU Alliance for a democratic, social and sustainable European Semester' on the content and process of the European Semester in 2014. It has been written on the basis of consultation processes with the members of the Alliance at European and national levels, notably through work with three pilot national Alliances in Bulgaria, Denmark and Ireland.

1. www.semesteralliance.eu

2. The members of the EU Alliance are: AGE-Platform Europe; CARITAS Europa; European Anti-Poverty Network (EAPN) (coordinator), European Environmental Bureau; Housing Europe; European Public Service Union; European Association of Service Providers for People with Disabilities; Eurochild; Eurodiaconia; European Women's Lobby; European Federation of National Organisations working with the Homeless – FEANTSA; European Federation of Food banks; Green Budget Europe; and PICUM. The work is supported by the European Trade Union Confederation and the Social Platform.

In addition, three national cross-sector pilot alliances have been funded for one year in Bulgaria, Denmark, and Ireland.

3. The current alliance is supported by the European Commission under PROGRESS.

ANALYSIS

The Alliance starts by highlighting the **validity and potential of the Europe 2020 Agenda for smart, sustainable and inclusive growth, and its targets - especially the EU poverty and other social targets (employment and education) and 20-20-20 climate targets** – for delivering the kind of society and economy the EU wants and needs.

The Alliance also notes that the potential of the Europe 2020 has **been seriously undermined by a lack of clear political commitments to the goals and target of the Strategy**, and the increasingly **weak priority** given to Europe 2020 in the European Semester process.

It points out that **while the EU starts to congratulate itself for the first signs of economic ‘recovery’, the reality is that the scale of the problems facing the EU is only growing**. For example, since the adoption of EU2020, instead of progress towards the target of reducing poverty by at least 20 million, 6.6 million more people are now in poverty in the EU.

Contrary to the analysis apparently dominating the political agenda in Europe at the moment, **social Europe did not cause the crisis; it mitigated it**. In fact, **many challenges facing Europe are not just consequences of the crisis, but consequences of the austerity and competitiveness measures promoted as the supposed solutions to the crisis**.

A frustration for the members of the EU Alliance is that while the EU 2020 Agenda and other EU commitments – from the Social Investment Package, to the Roadmap to a Resource Efficient Europe, to the Strategy for Equality between Women and Men – show the kind of balanced thinking needed, **there is insufficient attention within the European Semester to essential medium-term thinking around effective strategies to reach the targets, including making the most of concepts such as Social Investment, Greening the Economy and Gender Equality**.

There is an imbalance in decision-making away from all the aspects of a coherent overall approach to society, the environment and economy towards the purely economic/financial. Furthermore, **an imbalance in the Semester Process risks exacerbating these imbalances in decision-making**. The overall political direction of the European Semester is off-track.

The European Semester process is extremely closed to real consultation and participation of stakeholders. This means social partners and civil society organisations, but also national and regional parliaments and even non-financial/economic Ministries. **There is insufficient transparency in the decision-making of the European Semester Process**.

The report sets out a stage-by-stage analysis of the European Semester and how far it is delivering on Europe 2020 goals and targets, including case studies of the European Semester – covering process and content - in two Member States: Bulgaria and Ireland. A third case study on Denmark covers the process of the European Semester at national level.

The report concludes that the **Annual Growth Survey (AGS)** identifies many of the right issues and some of the necessary solutions. However, it then fails to listen adequately to its own analysis coming down consistently in favour of a seemingly blinkered approach focusing on financial and economic indicators and priorities. The lack of balance in the approach being promoted by the European Commission through the Annual Growth Survey is unacceptable.

Assessment of the National Reform Programmes (NRPs) highlights **extremely weak involvement of national parliaments** in the drafting and approval of these programmes. Furthermore, despite some positive examples of participatory practice – notably in Spain and France – Europe is characterised by **mostly inadequate opportunities for participation of civil society in the Semester process**.

A major concern is that **the logic of the role of the NRP as a national programmes within an overall European Process appears broken**. The NRPs are more often reports compiling existing policy measures than real programmes. Furthermore, the NRPs are **drifting away**

from their original aim of implementing the Europe 2020 Agenda. There is an increasing sense that the European Semester is a closed discussion between national governments and the European Commission. Many members at national level now see the CSRs as the most important Semester documents, **which raises worrying issues for democratic legitimacy and stakeholder engagement** around the Semester Process at national level.

Analysis of the Country Specific Recommendations also highlights a lack of focus on the whole EU 2020 Agenda. **The CSRs do not match the EU 2020 targets, nor even demonstrate that they are based on a coherent overall analysis of the different elements of 'smart, sustainable, inclusive' growth.**

Many CSRs reveal a fairly simplistic and even ideological approach to solving some of Europe's problems. These include **excessive focus on budgetary cuts without thinking through their impact** and a belief that the market alone can provide the answers to different challenges. This includes worrying approaches to promoting competitiveness which serve to promote a wage race to the bottom between EU Member States.

There is a **serious lack of transparency in defining the CSRs.** The impact of this lack of transparency is highlighted in various terms by members of the EU Alliance, including a lack of clarity as to why certain Member States get certain CSRs and others not and why and how CSRs for a particular country change from one year to the next.

Members of the EU Alliance highlight that the European level has added value by directing attention to, for example, to the crucial issues of tackling child poverty, promoting adequate minimum income, energy efficiency in housing and the importance of better taxation. However, even where there are some welcome recommendations and trends within the CSRs, **these positive CSR elements are not strong or coherent enough.** There are consistently undermined in practice by the other CSRs and the overall approach.

RECOMMENDATIONS

On the basis of the headline and detailed stage-by-stage analysis of the European Semester in 2014, the EU Alliance makes the following **six key recommendations for the European Semester**:

1. Political reconfirmation of a European Semester following the philosophy and targets of the balanced EU2020 Agenda towards smart, sustainable and inclusive growth

To be able to deliver long-term prosperity, sustainable development and social justice, based on the respect of fundamental rights for all, the European Semester needs to reconfirm its commitment to the philosophy that growth must be ‘smart, sustainable and inclusive’ and the balanced Europe 2020 targets.

2. A European Semester with a clear focus on the targets and on delivering ‘Social Investment’, ‘More and Better Jobs’, ‘Environmentally Sustainable Development’, and ‘Gender Equality’

The EU has made a number of commitments that reflect the kind of society that Europeans want to build and the kind of economies they want to develop. The European Semester should be clearly and explicitly enhancing the achievement of these principles through the promotion of integrated strategies and highlighting areas of weakness and lack of coherence.

3. Much greater coherence and transparency in the delivery of country specific recommendations following the philosophy of the balanced EU2020 Agenda

Decision-making needs to much more faithfully balance the evidence of economic, social and environmental data and justify the selection according to the agreed criteria for smart, sustainable and inclusive growth.

4. EU Guidelines to ensure debate in parliaments and meaningful structured dialogue with all relevant stakeholders at national and EU level

There is an urgent need for obligatory EU Guidelines - developed with Member States - to strengthen democratic participation and engagement in the European Semester process, covering effective debate in parliaments and meaningful structured dialogue with relevant stakeholders at national and EU level.

5. Ex-ante social and environmental/climate impact assessments of policy proposals supported by more detailed and up-to-date social and environmental indicators

Ex-ante social and environmental impact assessments can improve the balance of decision-making between the economic and the social & environmental, avoiding greater challenges and costs in the medium and longer terms. Such impact assessments need to be based on further improvements to the available social and environmental/climate data.

6. Improved links between the European Semester and European Funds, particularly the Structural and Investment Funds

There are many positive links to be made between the objectives of the European Semester and the potential of European Funds - especially the European Structural and Investment Funds – which have not been fully developed. More cohesion between these two areas could more usefully support integrated strategies delivering smart, sustainable, inclusive growth.

See the full recommendation on p. 38.

HEADLINE ANALYSIS

The following is a summary of the full analysis of the European Semester process and its different elements contained within the 2014 EU Alliance report:

1. Europe 2020 and its targets offer an important political agenda for progress

EU Alliance members strongly support the philosophy of the EU 2020 Agenda to deliver smart, sustainable and inclusive growth. The Agenda offers a balanced approach covering not just economic growth on its own, but looking to address the shortcomings of the existing growth model to meet Europe's challenges and take advantage of its opportunities to provide the kind of stronger society and economy that European citizens want.

In 2010, the Europe 2020 Strategy broke new ground by establishing five concrete targets for delivering on smart, sustainable and inclusive growth. As well as targets covering, research and development budgets and education, these notably included the:

- The **EU poverty target**: To reduce the number of Europeans in or at risk of poverty and social exclusion by at least 20 million;
- The **Employment target**: to achieve a 75% rate for men and women;
- The **20-20-20 climate targets**: To reduce greenhouse gas emissions by at least 20% compared to 1990 levels (or by 30% if the conditions are right), increase the share of renewable energy in final energy consumption to 20%, and achieve a 20% increase in energy efficiency.

2. While the EU starts to congratulate itself for the first signs of economic 'recovery', the reality is that the scale of the problems facing the EU is only growing

Inequalities are rising in the EU. At the same time, progress towards reducing greenhouse gas emissions has been so marginal to be insufficient to avoid dangerous levels of climate change and biodiversity loss, particularly if and when fully-fledged economic growth returns.

- "The crisis has had a particularly negative impact on the most disadvantaged and the share of **people at risk of poverty** has risen to 25% in the EU. This also includes a growing risk of **structural unemployment** and increased exit from the labour market." *Annual Growth Survey 2014*;
- Since the adoption of EU2020, 6.6 million more people are now in **poverty** (124.5 million), *Directorate-General for Internal Policies, Economic Governance Support Unit (Egov)*;
- "**Unemployment** rates remain historically high, at 11% on average in the EU (in July 2013), with a youth unemployment rate of 23.4%." *Annual Growth Survey 2014*;
- In-work poverty has increased from 8.6 to 9.1%, *Eurostat (EU-SILC 2012)*;
- The average **material deprivation rate for children** increased from 19.6% to 22.3% between 2009 and 2012, *Eurostat (EU-SILC 2012)*;
- **Child poverty** has increased by half a million in only one year in the EU, *Eurostat (EU-SILC 2013)*;
- 25.7 million people in the EU are suffering from **severe housing deprivation**;
- **Housing costs** for those at risk of poverty now represent on average 41% of their income, compared to 37% in 2005.

3. Social and environmental Europe did not cause the crisis - it mitigated it

It is important to remember that it was not social or environmental spending that caused Europe's financial crisis. The roots of the crisis lie firmly in the financial sector, uncontrolled and unsafe financial engineering (collateralised debt obligations (CDOs), credit-default swaps...), the failings of credit ratings agencies, the impact of irresponsible mortgage lending and uncontrolled housing bubbles, poor regulatory oversight of banks' equity and international capital flows.

There is a strong feeling amongst members of the EU Alliance that the crisis was caused by the wealthiest and the price is being paid by the poorest. The willingness to 'invest' in protecting banks and other financial institutions, but not to invest in people and societies seems to be increasingly based on ideology rather than evidence.

The crisis has been used to justify attacks on the public sector and public sector workers. Even when people recognise the impact of the financial sector, many still buy in to the view that the solution is to reform the welfare sector. The EU Alliance wonders what would have happened to Europe's economy without the counter-cyclical impact of welfare systems, but fears that in countries such as Greece we may start to find out.

The 2014 Annual Growth Survey recognises (p.3) the "hardship" created by the "duration and depth of the crisis" and also highlights the importance of "domestic demand... as the main engine of growth". But it fails to adequately consider how domestic demand is reinforced by decent work, adequate wages, adequate minimum incomes and the security of a robust welfare state.

4. Many challenges facing Europe are not just consequences of the crisis, but consequences of the austerity and competitiveness measures promoted as the supposed solutions to the crisis

The evidence of austerity measures is that they have had a disproportionately large negative effect on European economies. The GDP of many European countries has still not recovered to their pre-crisis level. The reasons are straightforward; deficit cuts have brought about large falls in activity. These faltering economies see reduced tax revenues and increased unemployment payments. 'Sticking to the plan' thus necessitates more austerity.

A briefing on 'Austerity and the Alternatives'⁴ published by EPSU highlights the shocking reality that, in Greece, a 9% reduction in the budget deficit has been 'achieved' at the cost of a 26% (twenty-six percent) reduction in GDP. Portugal squeezed 16% of GDP out of its economy and reduced its deficit by only 5%, with equivalent figures of 12% and 3% for Spain. But this is not just a story of the periphery economies. To reduce the UK deficit by 5%, the government has imposed cuts that have taken 10% off the GDP.⁵

These figures are reflected in the analysis of specific policies within the Semester Process by members of the EU Alliance that follows in this report. There are several concrete examples of policies aimed at fiscal consolidation and the improvement of competitiveness that are actually serving to undermine key aspects of smart, sustainable, inclusive growth.

For example, imbalanced policy approaches are still insufficiently focusing on the need for more and better jobs, as well as stronger social protection systems. Rather, many approaches seem to find it easier to target the unemployed, distorting active inclusion principles into supply-side activation policies. Cutting people's access to benefits does not create a job for them. At the same time, efforts to increase the retirement age will simply shift people from pensions to unemployment benefits if there are not adequate jobs for them to take up.

Approaches that hope to make Europe more competitive by pushing wages down and making people's employment status more 'flexible'. This undermining of workers' rights only serves to exacerbate the already significant problems of in-work poverty, segmentation of the labour market, chronic job insecurity and accessing basic rights. These are unacceptable and

4. <http://epsu.org/IMG/pdf/boceto2.pdf>

5. Ibid.

counterproductive methods for promoting employment, which threaten a wage race to the bottom between European economies, in which everybody loses.

Approaches that are failing to challenge or even contributing to the prevalence of sub-minimum wage contracts, hazardous working conditions, chronic job insecurity, and zero-hours contracts fly in the face of the desire to build a European economy based on smart, inclusive growth. European policy-makers need to think again.

Another important area is policies that threaten to undermine universal access to adequate social security and social protection systems and quality social and healthcare services in the name of 'cost efficiency' and 'modernisation'. Little consideration appears to be given to how these systems support individuals to remain active in the economy and act as 'circuit breakers' in preventing excessive decline, acting as automatic stabilisers to the economy.

Another example is the pressure applied to turn to market-only solutions in fields such as the housing rental market, with insufficient understanding of the impact of such policies on vulnerable tenants and the availability of decent affordable housing.

5. There is insufficient attention within the European Semester to essential medium-term thinking around effective strategies to reach the targets, including concepts such as Social Investment, Greening the Economy and Gender Equality

The EU does not have all the answers, but even the positive elements of the thinking it has developed is getting lost in the delivery and implementation of the Semester. For example, the Alliance highlights the lack of explicit comprehensive strategies to deliver on the Europe 2020 targets, for example in relation to the poverty target. Insufficient use is being made of the positive contribution of such approaches as:

- the focus on More and Better Jobs of the European Employment Strategy⁶;
- the Roadmap to a Resource Efficient Europe⁷;
- the recommendations of the Social Investment Package⁸;
- the European Pact for Gender Equality⁹; and
- Employment Guidelines Recital 16 on participation of social partners and civil society.¹⁰

Of course, issues of short-term budgetary responsibility are important, but policies have gone too far in the direction of short-term financial considerations alone. Making short-term savings at the expense of even greater long-term costs is the very antithesis of the smart, sustainable and inclusive thinking that should be driving the European Semester.

The 2014 Annual Growth Survey has not helped the balance of approaches by arguing that, rather than tackling urgent social or environmental issues, the key challenge is: "to keep up the pace of reform to improve competitiveness and secure a lasting recovery."

Forms of growth that continue to focus extreme wealth in fewer hands, that threaten environmental sustainability and are based on undermining the social fabric of society will only deliver even bigger problems and challenges in the medium and long-term. European decision-makers need to be concerned about the future they are creating.

It is well understood that prevention is better (and less expensive) than cure and that investment in the short-term can deliver even bigger benefits in the medium and long-terms. This is why it is unacceptable to see insufficient attention given through the European Semester to positive

6. European Employment Strategy: <http://ec.europa.eu/social/main.jsp?catId=101&langId=en>

7. Roadmap to a Resource Efficient Europe: http://ec.europa.eu/environment/resource_efficiency/about/roadmap/index_en.htm

8. Social Investment Package: <http://ec.europa.eu/social/main.jsp?langId=en&catId=1044&newsId=1807&furtherNews=yes>

9. European Pact for Gender Equality: http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/lsa/119628.pdf

10. Employment Guidelines <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32010D0707&from=EN>

policy solutions based on promoting social investment and the green economy, and to the development of explicit integrated strategies to deliver on the targets.

The EU risks missing the boat when it comes to green energy and energy efficiency solutions if it does not speed up its ambitions, not to speak of huge costs of inaction that will need to be covered by public budgets.

Issues around equality and gender equality are getting almost entirely overlooked within the European Semester. This is despite the existence of clear European agreements and commitments supporting both the principles of equality and gender equality and their practical benefits to both society and the economy.¹¹

6. An imbalance in the Semester Process risks exacerbating imbalances in decision-making

The overall political direction of the European Semester is off-track. What appears to be happening is that Ministries of Finance and DG ECFIN (plus DG SEC GEN) are dominating the elaboration of the Semester documents, giving much more focus to macroeconomic and fiscal surveillance, based on the 2011 Six Pack Regulations designed to reform and strengthen the Stability and Growth Pact.¹²

Now that Member States in the Eurozone have to present their budgets to the Commission as part of the Two Pack regulations¹³, the dominance of the economic over the other aspects of the balanced EU2020 Agenda only seems to be increasing, especially if and when the budgets are not evaluated in light of their social and environmental/climate action plans.

European decision-makers feel comfortable that they have a clear mandate to act on public debt, deficit and spending. However, the achievement of growth that is 'smart, sustainable and inclusive' cannot be achieved through a lop-sided process that artificially limits itself to only certain policy areas.

"The June 2013 European Council recalled that the social dimension should be strengthened and emphasised the importance of better monitoring and of taking account of the social and labour market situation in the EMU, notably by using appropriate employment and social indicators as part of the 'European Semester' process for economic policy coordination." Communication from the Commission on "Strengthening the Social Dimension of the Economic and Monetary Union"¹⁴

The Semester Process needs to give full consideration, analysis and recommendations to the different components of 'smart, sustainable and inclusive' growth and the delivery on the targets. It should be drawing political attention to those areas where a Member State needs to do more work, whether they be economic, social or environmental and whether competence for policy-making is at European, national, regional or local levels.

"In defining and implementing its policies and activities, the Union shall take into account requirements linked to the promotion of a high level of employment, the guarantee of adequate social protection, the fight against social exclusion, and a high level of education, training and protection of human health." Article 9 TFEU¹⁵

A key example here is the issue of tackling poverty. Despite the agreement of a clear poverty target under the EU2020 Agenda, Europe 2020 Integrated Guideline 10 on Promoting social inclusion and combating poverty, and the creation of a European Platform Against Poverty inter alia, there is a total **lack of a coherent, multidimensional anti-poverty strategy** or a detailed examination of the latest poverty trends within the European Semester analysis. Such

11. Gender Equality in the EU (DG Justice) http://ec.europa.eu/justice/gender-equality/index_en.htm

12. Six Pack Regulation http://ec.europa.eu/economy_finance/articles/governance/2012-03-14_six_pack_en.htm

13. Two Pack Regulation http://europa.eu/rapid/press-release_MEMO-13-457_en.htm

14. Strengthening the Social Dimension of the EMU, European Commission, October 2013

http://ec.europa.eu/commission_2010-2014/president/news/archives/2013/10/pdf/20131002_1-emu_en.pdf

15. TFEU: <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:12012E/TXT>

efforts are essential as part of the balanced approach needed to deliver Europe's vision for itself.

Unfortunately, the evidence of the CSRs that have been proposed up to now is that even where there are proposals that EU Alliance members would welcome - such as on tackling child poverty, minimum income and increased efforts to tackle tax evasion – members feel these efforts are more than outweighed by more powerful negative CSRs based mostly only on short-term financial considerations. Crucially, there are a lack of integrated strategies to deliver on the different targets, as part of an overall coherent approach.

For example, the potential reform of tax systems to promote environmental fiscal reform, tax justice and a focus on more growth-friendly taxation is welcome and important. But it is important to square this with the reality of cuts of staff in tax offices from austerity budgets and the need to highlight and challenge environmentally harmful subsidies, as well as to consider the social impact. Coherent approaches need to look at the interrelationships between such aspects. The Semester process could and should at the heart of improving this coherence and balance.

7. The European Semester process is extremely closed to real consultation and participation of stakeholders

Recital 16 of the Employment Guidelines¹⁶ states that:

“the Europe 2020 strategy should, as appropriate, be implemented, monitored and evaluated in partnership with all national, regional and local authorities, closely associating parliaments, as well as social partners and representatives of civil society, who shall contribute to the elaboration of National Reform Programmes, to their implementation and to the overall communication on the strategy.”

Unfortunately, the experience of the European Semester process thus far has been that it is extremely closed to these forms of consultation and participation. National and regional parliaments are barely engaged with the Semester process or given a chance to input, often limited to rushed approval of documents seen as ‘European’ reports. The European Parliament is also effectively marginalised from decision-making in the Semester.

With the economic and finance Ministers very much in the driving seat, even environmental, employment and social affairs Ministries and DGs in regional and national governments and within the European Commission appear to be largely kept at arm's length from the process. Their influence is typically restricted to commenting or shaping specific sub-areas of policy rather than contributing equally to the overall agenda. This all contributes to the lack of balance in the decision-making process highlighted above.

The imbalance of power between Ministries is also impacting on social dialogue. There is lip service given to the importance of social dialogue, but the reality is that employment and social affairs Ministries/DGs are typically over-seeing cuts in staff and are pulling back from full commitment to social dialogue procedures. Some of the CSRs proposed by the European Commission also try to go directly over the heads of national social dialogue in pushing for reform of collective agreements. At European level there is some social dialogue in preparation of the AGS, but the process does not yet have impact.

The main avenue for the crucial participation of civil society organisations is supposed to be in the development of the National Reform Programmes at national level. However, the structures are not in place to enable this kind of participation in the decision-making. NRPs are typically compiled by civil servants for submission to the Commission without meaningful consultation.

NGOs that have worked hard to engage with the process have typically been left disappointed by the lack of opportunities for meaningful engagement. Where consultation has taken place, it has tended to be an information exercise rather than a commitment to interactive and

16. Employment Guidelines <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32010D0707&from=EN>

constructive dialogue to impact on policy proposals. Rushed consultations, a lack of response and the ultimate lack of perceived weight given to the NRPs themselves mean that while some NGOs are pushing for more engagement, others are already starting to give up on the process.

8. There is insufficient transparency in the decision-making of the European Semester Process

The European Semester claims to follow a very logical circle from Annual Growth Survey (AGS), through NRPs and Stability and Convergence Programmes to Country Specific Recommendations (CSRs) and back to the next AGS. This process should be clear and open giving adequate opportunities to follow and engage with the development of strategies and policies.

However, perhaps linked to the power imbalance within the European Semester as it is currently being implemented, there is in fact a dramatic lack of transparency within the process. This not only makes it very hard to generate genuine engagement in the process, but will only serve to exacerbate public unease and distrust of both national and European decision-makers.

The lack of transparency emerges at several levels, but most notably, it is not always clear to members of the EU Alliance:

- When deciding CSRs, how are the different targets of the EU2020 Agenda taken into account and on what basis (e.g. what indicators?) are priorities agreed?
- To what extent are employment, social affairs and environment ministries/DGs involved in the elaboration of NRPs and the decisions around the CSRs?
- To what extent are Member State governments involved in negotiating, vetoing or even requesting specific CSRs from the Commission?
- To what extent and how are the CSRs based on the NRPs? Are they not, in fact, drafted before the NRPs are submitted?
- What role do the priorities set out in the National Social Reports have to play?
- Why and how is it that Member State X gets a CSR on an issue, but Member State Y does not, even where Member State Y has the bigger problem?
- How is it that CSRs can disappear from one year to the next without any explanation or assessment of progress made?
- Why is it that on several occasions Member States get a CSR on something they are already doing, whilst those that are doing less get nothing?
- What are the real avenues for participation in the European Semester process? Because in most countries and at EU level, the doors appear to be mostly shut or only lip service paid instead of an effective process.

STAGE-BY-STAGE ANALYSIS

1. Annual Growth Survey
2. National Reform Programmes
3. Country-Specific Recommendations

ANNUAL GROWTH SURVEY

In its own words, the Annual Growth Survey (AGS)¹⁷ “takes stock of the economic and social situation in Europe and sets out broad policy priorities for the EU as a whole for the coming year.”

THE GOOD

The reality of social problems

The AGS recognises that social problems in Europe are a matter of real concern and particularly for the most vulnerable. “[The] broader social situation remains depressed. The duration and depth of the crisis has created hardship across Europe and particularly in countries implementing adjustment programmes... The crisis has had a particularly negative impact on the most disadvantaged and the share of people at risk of poverty has risen to 25% in the EU...”

The importance of sustainable development

The AGS stresses that “Longer term investment in... energy and climate action should be protected”, whilst it recognises “the considerable growth potential of the green economy.”

Although the AGS does not say enough on the potential redistributive power of more progressive taxation in promoting inclusive growth, it does promote much needed debate and thought on the need to shift the tax burden towards environmentally damaging consumption. “Tax systems should be redesigned by broadening tax bases, and shifting the tax burden away from labour on to tax bases linked to consumption, property and pollution. Environmentally harmful subsidies should be reduced.”

The structural causes of unemployment and means to tackle them

The AGS correctly highlights that “unemployment [is] expected to remain unacceptably high in many parts of Europe for some time to come.” Furthermore, “This also includes a growing risk of structural unemployment and increased exit from the labour market.”

It correctly identifies the need for solutions focusing on support to the unemployed and the creation of new jobs. “This also includes boosting sources of jobs in expanding sectors, maintaining the employability of the labour force including the long term unemployed and the most vulnerable groups, including through active support and training of the unemployed...”

The importance of improved education and skills development

The AGS acknowledges that investment in the (future) labour force is essential. It highlights that “Action is also needed to improve education and skills performance. The EU is still lagging behind its 2020 targets on tertiary educational levels and reducing early school drop-outs. Moreover, according to the OECD, 20% of the EU workforce still has a serious lack of skills, including low literacy and low numeracy skills.”

The need for specific attention to young people, women and older workers

17. Annual Growth Survey 2014, European Commission, Nov 2013: http://ec.europa.eu/europe2020/pdf/2014/ags2014_en.pdf

The AGS correctly focuses attention on “the unacceptably high levels of unemployment of young people” whilst also identifying that “longer and more fulfilling working lives require adequate skills and lifelong learning [and], enabling working environments”.

It also recognises some of the important gender issues in the labour market, highlighting these in terms of “addressing the impact of gender pay and activity gaps on women’s pension entitlements”.

The added value of welfare states

The AGS explicitly and correctly recognises the essential role of effective welfare states in preventing marginalisation from society and the labour market. It talks of the importance of “maintaining the employability of the labour force including the long term unemployed and the most vulnerable groups, including through... making sure that social safety nets fully play their role.”

It also stresses the “widespread need to strengthen the efficiency and financial sustainability of social protection systems, notably pensions and healthcare systems while enhancing their effectiveness and adequacy in meeting social needs and ensuring essential social safety nets.”

Importance of integrated active inclusion approaches

The AGS underlines the importance of active inclusion strategies that do not simply focus on ‘activation’ but provide integrated and balanced approaches. “Active inclusion strategies should be developed, encompassing efficient and adequate income support, activation measures as well as measures to tackle poverty, including child poverty, and broad access to affordable and high-quality services, such as social and health services, childcare, housing and energy supply.”

The importance of fairness

The AGS also recognises that “Fairness considerations and clarity about the goals to be achieved will be essential to secure the lasting success [and] efficiency... of efforts at national and European level.”

The need to tackle tax fraud and tax evasion

It correctly highlights that beyond budget cuts, it is important that revenue is raised. “Tax compliance should also be improved through fighting tax fraud and tax evasion, coordinated action to tackle aggressive tax planning and tax havens, by ensuring greater efficiency of tax administration and simplifying tax compliance procedures.”

THE BAD

Social and environmental concerns are a lesser priority and largely limited to the social consequences of the crisis

Whilst recognising the above points, the AGS ultimately decides that social, environmental and climate concerns are not Europe’s main issue at the moment. It limits the social priority to “unemployment and the social consequences of the crisis” and then argues that this itself is a lesser priority for the next period than: “to keep up the pace of reform to improve competitiveness and secure a lasting recovery.” The AGS does not do enough to prioritise social, environmental and climate concerns.

Financial and economic indicators trump social and environmental reality

The AGS claims that “Signs of economic improvements should thus be taken as an encouragement to pursue efforts with determination, avoiding risks of fall-back, complacency or ‘reform fatigue’.” There is precious little evidence to defend this assertion, which seems to reveal a total blind spot to whether signs of social and environmental deterioration should in fact be taken as a discouragement to pursuing current efforts with determination.

It fails to adequately question the quality of economic growth in Europe, to consider the wider impact of the reforms to increase competitiveness or to check whether any growth achieved is in fact smart, sustainable or inclusive.

Society, climate and the environment appear to be seen as serving the economy and not the other way around

There is a continuing and alarming trend in the AGS to return to the idea that social, environmental and climate issues are only important insofar as they affect growth and the economy, for example it worries that “...high levels of unemployment will continue to weigh on growth in the coming period... inequalities may rise, which could have significantly negative effects on EU growth potential.”

The AGS is right to highlight the long-term negative economic impact of increasing poverty, long-term unemployment, inequalities or a lack of implementation of EU environmental laws. However, it is crucial that these issues are identified more strongly and clearly as problems and priorities in their own right, rather than simply as barriers to economic growth.

The AGS contributes to undermining quality employment

The AGS is keen to highlight that: “Countries with large imbalances have implemented far-reaching reforms in their wage- bargaining system to allow for greater flexibility in wage adjustment. Over 2007-2012, the fall in unit labour costs compared with competitors has been significant for countries such as IE, EL, ES and PT.” However, it does not consider what this means for in-work poverty or social cohesion in these countries. Nor does it reflect on how this contributes to a race to the bottom on wages between EU Member States and the suppression of domestic demand on which the economic recovery so much depends.

No consideration of the role of austerity in creating longer term problems

The AGS presents many of the social problems identified as if they were simply “the social impact of the crisis”. It offers no consideration of how these problems are the social impact of the currently implemented ‘solution’ to the crisis.

For example, the AGS offers no analysis of how not only increased unemployment, but also cuts to social and health services are having a double impact on the most disadvantaged. It recognises that there has been damage to Europe’s “social fabric” but does not stop to question whether the reforms it is promoting are causing that damage.

Nor does it reflect that there are serious doubts as to whether any country has even managed ‘growth-friendly’ fiscal consolidation when most cuts seem to be ‘across-the-board’.

CONCLUSION

The lack of balance in the approach being promoted by the European Commission through the Annual Growth Survey is unacceptable.

The AGS, like many similar EU policy and strategy documents identifies many of the right issues and some of the necessary solutions. However, it then fails to listen adequately to its own analysis, coming down consistently in favour of a seemingly blinkered approach focusing on financial and economic indicators and priorities. Neither does it seem open to listen to voices which highlight shortcomings in the existing policies and propose other strategies.

The AGS recognises that “Europe’s labour market and social fabric will take time to recover” but fails to acknowledge that rather than starting or facilitating that recovery process, current policy direction is continuing to increase the severity of these problems. Civil society and Trade Unions are seeing the scale of the increase of these problems on the ground, but policy-makers continue to put blind faith in economic models above social reality.

The AGS gives lip service to the importance of addressing the social consequences of the crisis and environmental/climate issues, but ends up treating these as secondary measures that can only really be dealt with after economic goals have been achieved. This model of ‘growth first’, ‘smart, sustainable and inclusive later’ will not work. The growth has to be designed in ways that are smart, sustainable and inclusive from the beginning.

The AGS should have a clear and explicit message on how all the objectives of EU 2020 are being implemented including delivery of the poverty and employment target and the 20-20-20 climate targets. Social, environmental and climate considerations should not be made a lesser priority, nor should they be limited to the social consequences of the crisis.

The AGS should also be much more transparent. It should be publically discussed before agreement, including through co-decision with the European Parliament and through meaningful consultation with Trade Unions and Civil Society.

NATIONAL REFORM PROGRAMMES (NRPs)

This report is not the place for a detailed consideration of all the policies contained in each National Reform Programme. That analysis and debate should be taking place at national level. This section focuses on major recurring themes reported by EU Alliance members on the process of developing and delivering the NRPs at national level.

EXTREMELY WEAK INVOLVEMENT OF NATIONAL PARLIAMENTS

The involvement of national parliaments in the drafting, debating and approval of the NRPs is very low. The following table sets out the involvement of national parliaments as self-identified by the texts of the 2014 NRPs themselves. It shows that as many as 13 Member States did not report any involvement of their national parliaments.

Table 1: Involvement of national parliaments in 2014 NRP

MS	Involvement of national parliament as specified in the text of 2014 NRP
AT	The National Reform Programme 2013 was presented to the Austrian National Council on 22 April 2013 as a federal government report for deliberation. The EU Subcommittee, the Budget Committee and the Plenary of the National Council negotiated the National Reform Programme in a public session and acknowledged the Programme with a majority of votes.
BE	No reference to the involvement of the national parliament could be found.
BG	No reference to the involvement of the national parliament could be found.
HR	No reference to the involvement of the national parliament could be found.
CY	No reference to the involvement of the national parliament could be found.
CZ	Prior to its approval by the Government the NRP was debated in relevant committees of the Chamber of Deputies and the Senate of the Czech Parliament, as well as the Working Team of the Council of Economic and Social Agreement for EU.
DK	On 10 April 2014, a joint consultation of the European Affairs Committee and the Finance Committee of the Danish Parliament on Denmark's National Reform Programme as well as the Convergence Programme took place.
EE	No reference to the involvement of the national parliament could be found.
FI	The National Europe 2020 Programme has been submitted to Parliament.
FR	The draft NRP has been sent to the Assemblée Nationale and to the Senate on 23 April 2014.
GY	The NRP 2014 was adopted by the Federal Cabinet on 8 April 2014. Directly after the Cabinet decision, the NRP was formally submitted to the German Bundestag and the Bundesrat.
EL	No reference to the involvement of the national parliament could be found.
HU	No reference to the involvement of the national parliament could be found.
IR	The Minister of State for European Affairs attended a dedicated meeting of the Joint Oireachtas Committee on European Union Affairs on 1 April to discuss a draft of this NRP with Committee members.
IT	No reference to the involvement of the national parliament could be found.
LV	Issues related to implementation of the NRP and Stability Programme of Latvia are discussed on a regular basis at the Saeima
LT	A draft NRP 2014 was debated and approved in the Seimas Committee on European Affairs of 21 March 2014.
LU	No reference to the involvement of the national parliament could be found.
MT	No reference to the involvement of the national parliament could be found.
NL	The NRP was submitted to parliament before it was sent to the European Commission. As a rule, a debate is arranged between the Minister of Economic Affairs and parliament on the NRP. Last year the National Reform Programme and the Stability Programme were also discussed in the Senate for the first time with the Ministers of Economic Affairs and Finance.
PL	The programme states that the government of Poland is trying to ensure that the Parliament... participate[s] in the process of NRP update. However, it does not specify whether NRP 2014 was debated or/and approved by the parliament
PT	No reference to the involvement of the national parliament could be found.
RO	The 2 committees for European Affairs of the Romanian Parliament have been informed of the main measures of the NRP. The final version should be presented to the Parliament after the European elections.
SK	The NRP is usually discussed by the Economic and Social Council, as well as by the European Affairs Committee and the Finance, Budget and Currency Committee of the National Council of the Slovak Republic.
SI	The draft NRP was considered by the Committees of the Slovenian National Assembly on: the Economy; Labour, Family, Social Policy and Disability; EU Affairs; and Finance and Monetary Policy.
ES	No reference to the involvement of the national parliament could be found.
SE	The Riksdag Parliamentary Committee on Finance has been informed about the national reform programme.
UK	The UK presents copies of assessments of its Convergence Programme to Parliament. The UK Parliament's Commons European Scrutiny Committee held a debate on Economic Governance. This covered the Council's Opinion on the UK's National Reform Programme and Convergence Programme.

Source: DG Internal Policies Economic Governance Support Unit (EGOV)

Even where national parliaments are involved, this is often limited to being informed, or requesting a rushed approval of an already finalised NRP.

STAKEHOLDER ENGAGEMENT - SOME POSITIVE EXAMPLES OF PARTICIPATORY PRACTICE

There are some positive stories to tell around participation and consultation with civil society stakeholders around the development of the NRPs.

PARTICIPATION CASE STUDY: SPAIN

Although there is no pilot national alliance around the Semester in Spain, there is a Platform of the Third Sector that has taken charge of negotiations with the Government. The Platform has interacted with different government officers, from the Ministry of Social Affairs, but also the Ministry of the Economy.

The Platform managed to set up a channel of communication with the Government that turned into 'the Civic Dialogue Table' (this built on long-standing dialogue processes from the social Open Method of Coordination). The participatory process is seen in a more positive light by Third Sector organisations in Spain than in other countries, with a perception of real engagement on the drafting of the NRP, as well as the National Social Report.

Alliance members highlight that it is no coincidence that Spain has some of the better CSRs, demonstrating a relatively balanced approach and reflecting civil society input.

Notwithstanding the overarching negative dominance of CSR 1 on "achieving the structural adjustment effort specified in the Council recommendation under the Excessive Deficit Procedure", the CSRs for Spain include such positive references as:

Spain CSR 3: "Pursue new measures to reduce labour market segmentation to favour sustainable, quality jobs..."

Spain CSR 4: "Implement the 2013-2016 Youth Entrepreneurship and Employment Strategy and evaluate its effectiveness. Provide good quality offers of employment opportunities, apprenticeships and traineeships for young people... increase the quality of primary and secondary education. Enhance guidance and support for groups at risk of early school leaving."

Spain CSR 5: "Implement the 2013-2016 National Action Plan on Social Inclusion and assess its effectiveness covering the full range of its objectives.... provide integrated pathways to support those at risk, and streamline procedures to support transitions between minimum income schemes and the labour market." (This CSR built on the fact that civil society stakeholders through the Platform of the Third Sector were actively involved in developing this Plan in the first place.)

Poland is an example of a country making progress in the right direction. Alliance Members report that the government established a special body for Europe 2020 in 2012. Although there was no real process that year, participation started to improve already in 2013 with a limited number of NGOs invited to send their proposals. In 2014, a coordinated effort of NGOs and social partners obtained agreement from the government for a two-phase consultative process.

France provides a very specific example of good practice in participation and consultation of stakeholders as it appears to be the only country that attaches stakeholder views to the NRP and also seems to have taken some of the views into account in the NRP itself.

MOSTLY, INADEQUATE OPPORTUNITIES FOR PARTICIPATION OF CIVIL SOCIETY

However, despite those positive stories, levels of participation in the 2014 NRPs has generally been very low. Many EU Alliance members highlight that they still do not know who they should be talking to and when to try to influence the NRPs. Many are trying to inform themselves and get their foot in the door of the process.

Those that have been involved typically talk of a low-quality process – see the case study on Ireland and Bulgaria and the box on Denmark below. Most often the NRP was not systematically circulated for consultation. Where it was, consultation times were usually prohibitively short and there was little or no evidence that contributions and comments had been taken into account in any way. Almost no feedback or responses were received.

Examples of inadequate procedures include in Slovakia, where the Ministry of Finance organised the process; civil society organisations were assured that there would be a public consultation procedure, but the comment procedure lasted only five days. In Germany, the deadline for statements was just two working days.

PARTICIPATION CASE STUDY: DENMARK

The Danish pilot alliance¹⁸ reports the following story on participation.

“The Semester process has a very low profile in Denmark. It seems as if Ministries and Committees want to keep the process closed. The NRP should be given a profile and debated in the national parliament, but it is not. We are able to comment on the NRP, but only after it has already been agreed by the Ministries. The government has become slightly better at giving us more time to comment – in 2011 it was just three days – but we are still really just commenting on a fait accompli.”

“Members of the Alliance are typically continuing to pursue their existing channels of influence to try to impact policy-making. For example Trade Unions to the Ministry of Labour and social organisations to the Ministry of Social Affairs. The Semester process can feel a long way away because it is very dominated by the Ministry of Finance, where we do not have these channels.”

“Organisations are not even clear if the NRP process is one that they should be prioritising. A big challenge for organisations in Denmark is still to understand the Semester process and the influence that it has. We don’t just want to waste our time giving written reactions to things that have already been decided. The National Social Report is another document that we have to respond to. But we don’t really understand the value or benefit.”

Belgium is identified by Alliance members as one of the few countries where social partners are visible alongside the NRP. The Belgian Platform Against Poverty has also demonstrated a good example of providing a framework for the consultation of people experiencing poverty, which built on existing participation processes around the Social OMC and the National Social Report. Unfortunately, however, this now appears to be a side event to the work around the NRP. The principal financial and economic ministers and officers responsible for the NRP were not involved in these discussions and the proposals related to social inclusion proposed by the Platform were mainly not taken on board in the final NRP.

18. 3 national pilot alliances were financially supported by Semester Alliance project funded by the European Commission under PROGRESS in 2014 (Bulgaria, Denmark and Ireland).

A BROKEN PROCESS?

One of the major problems with the NRP as a vehicle for promoting democratic and participatory processes around the European Semester is that **the logic of its role as a national ‘programme’ within an overall European process appears to be broken.**

Although the situation is not identical in all countries, a frequent comment on the NRPs from EU Alliance members is that they are simply European reports and not national programmes. Rather than providing a framework to address policy solutions to achieve the EU2020 objectives, **the NRPs are often little more than a compilation of existing policy measures** pulled together by Economic/Finance Ministries to fulfil an obligation vis-à-vis the European Commission.

A second emerging issue is that the NRPs are increasingly shifting their focus away from implementing the EU2020 Agenda towards responding to the previous year’s CSRs as requested by the EC guidance note. Many members at national level now see the CSRs as the real ‘heart’ of the Semester and crucially, that the CSRs do not even emerge from assessment of the NRPs.

This only increases the sense that the Semester Process is in reality a closed conversation between national governments and the European Commission. This also implies an important shift from structured dialogue with Member States towards the Commission as the main target and interlocutors for civil society organisations, with worrying implications for democratic accountability and effective governance processes for the Semester.

The NRPs are supposed to provide the main vehicle for participatory engagement around policy-making towards the EU2020 agenda. If this process is closed, then the whole process becomes effectively closed.

Part of the mixed picture emerging from members of the EU Alliance is that although many organisations are trying to increase their engagement around the NRPs, others are already starting to give up on the process as inaccessible. Many organisations are deciding that it is not worth the resources needed to try to influence the NRP and that they can have more impact elsewhere.

PROMOTING MEANINGFUL ENGAGEMENT

The solution is not to put in place artificial processes to consult civil society on a series of already implemented policies or completed documents. Many civil society organisations are working on increasingly tight resources – impact of austerity - and do not have the capacity to engage in meaningless technocratic processes with unrealistic timelines. What is important is that the NRP is based on participatory engagement with national stakeholders, and should demonstrate how the policies it sets out have been arrived at through participatory processes which link to national policy-making.

Meaningful engagement can improve the assessment of the policy challenges and the identification of balanced solutions responding to the philosophy of smart, sustainable, inclusive growth. It supports a balanced understanding of different perspectives and positions, including a better understanding of the impact of policies on people on the ground. The example of Spain provides some sense of this in this year’s Semester Process.

The EU can support meaningful engagement by providing clear and obligatory guidelines on the democratisation of the Semester Process through effective involvement of national parliaments and stakeholder engagement in the NRPs. Participation processes do not have to be the same in each country, but they should respect certain agreed European principles of meaningful engagement.

Meaningful engagement means treating organisation as active partners in regular, constructive dialogue towards better policy making. It includes clear timelines for input and discussion and feedback on the decisions taken and why throughout the policy cycle. It means providing pathways to include the voice of the most vulnerable in decision-making processes, either through participation of affected individuals themselves or the organisations that represent them. It should mean involvement in the implementation, as well as the monitoring of impact, as true partners to ensure progress.

COUNTRY SPECIFIC RECOMMENDATIONS (CSRS)

The European Semester claims to follow a very logical circle from Annual Growth Survey (AGS), through NRPs and Stability and Convergence Programmes to Country Specific Recommendations (CSRs) and back to the next AGS.

However, it is clear that the elaboration of the CSRs starts before the NRPs are submitted. The CSRs seem to come from independent analysis, influenced strongly by economists and think tanks, as well as national governments rather than through an open and clear process with adequate opportunities to follow and engage with the development of strategies and policies.

The result is often a lack of logical clarity on how and why certain CSRs are made and a lack of balance of good approaches with the overriding macro-economic pressures.

A LACK OF FOCUS ON THE WHOLE EUROPE 2020 AGENDA

The balanced and strategic approach of the Europe 2020 Agenda seems to disappear in the CSRs. The CSRs do not match the Europe 2020 targets, nor even demonstrate that they are based on a coherent overall analysis of the different elements of 'smart, sustainable, inclusive' growth.

ILLUSTRATIVE EXAMPLE: POVERTY

Given the clear Europe 2020 target and the identification of (albeit insufficient) national targets on tackling poverty, as well as the alarming statistics about increases in poverty since the start of the strategy in 2010, it would seem obvious that tackling poverty would be a central element of the CSRs.

One of the better poverty recommendations was:

Spain CSR 5: "Implement the 2013-2016 National Action Plan on Social Inclusion and assess its effectiveness covering the full range of its objectives..."

However, even by the Commissions own calculations¹⁹, only 12 MS receive a CSR on poverty and social inclusion and EU Alliance members identify even fewer - the words 'poverty' or 'inclusion' do not appear in the Polish CSRs, for example despite their inclusion on the EC list. Furthermore, none of these recommendations goes as far as pushing for the kind of overarching integrated anti-poverty strategy needed at national level.

Furthermore, the CSRs say nothing about extreme forms of poverty, such as homelessness. This is despite many MS highlighting tackling homelessness within their NRPs and NSRs (2014 offered a particular opportunity in this context because MS received guidance on how to report on their homelessness policies in the NSRs). The Semester fails to take advantage of the opportunities to link up coherently with the Social Investment Package calls for implementing comprehensive homelessness strategies.

There should be a poverty CSR for every country in line with the EU 2020 Agenda and based on the national context and reality, reflecting the need for an overarching, comprehensive strategy to fight poverty and discrimination, combined with thematic strategies for key target groups.

19. http://ec.europa.eu/europe2020/pdf/csr2014/overview_recommendations_2014_by_member_state_en.pdf

ILLUSTRATIVE EXAMPLE: ACTIVE INCLUSION OR ACTIVATION?

Active inclusion still has the potential to deliver positive results for smart, sustainable and inclusive growth. However, it is essential that the approach fully recognises and takes account of the three pillars of the active inclusion strategy: adequate income support when people are not working; inclusive labour markets, including personalized support and advice; and access to quality services to support people to deal with problems that may prevent them working and to provide access to a dignified life.

There are some positive and welcome references to personalised support for accessing the labour market.

For example, France CSR 6: “... Step up counselling and training for older workers...”

However, the reality of many of the CSRs is that active inclusion is often distorted into activation alone. At the very least, the CSRs do not clearly demonstrate the balance required for active inclusion approaches.

For example, Estonia CSR 2: “Improve incentives to work through measures targeted at low income earners. Target activation efforts at those most distant from the labour market, in particular by ensuring the timely adoption and implementation of the work capacity reform...”

A focus on activation alone creates the serious risk of undermining people’s right to an adequate minimum income or forcing people to take jobs that do not meet the criteria of decent employment. Activation and promoting ‘incentives to work’ fails to respond to the structural causes of unemployment.

Several CSRs talk of strengthening the links between social security and protection systems and activation measures. Sadly, the impression is very much that the focus is on pushing activation as a solution for limiting social spending, rather than ensuring efforts at activation support people into quality jobs and are appropriately supported by the three pillars of the active inclusion strategy.

EXCESSIVE FOCUS ON AUSTERITY AND MARKET-ONLY SOLUTIONS

Many CSRs reveal a fairly simplistic and even ideological approach to solving some of Europe's problems. These include excessive focus on budgetary cuts without thinking through their impact and a belief that the market alone can provide the answers to different challenges.

ILLUSTRATIVE EXAMPLE: WAGE SETTING

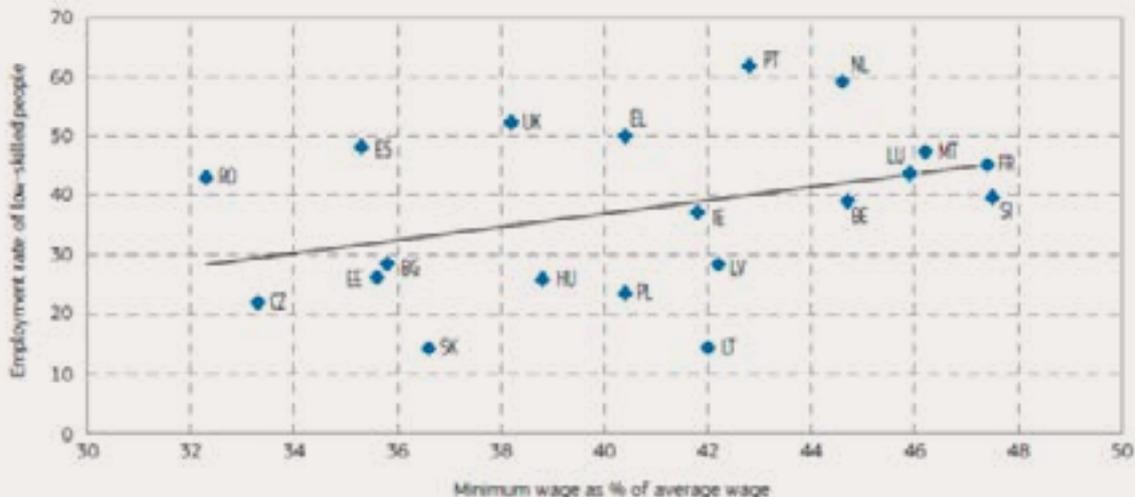
The rapidly increasing phenomena of in-work poverty is one of the most significant challenges facing Europe today, fatally undermining any approach that sees employment as the solution to lifting people out of poverty.

The achievement of the goal of more and better jobs and lifting people out of poverty requires that wages be paid at an adequate level. However, the approach of the CSRs seems to be focused not on linking wages with minimum income requirements, but on ensuring that wages are kept as low as possible in the name of competitiveness.

Belgium CSR 5: "Restore competitiveness by continuing the reform of the wage-setting system, including wage indexation..."

The view seems to be a simplistic model that you can only get employment by pushing wages down and that high wages are the cause of Europe's lack of competitiveness. However, as the following chart shows, a high minimum wage does not correlate with reduced employment of low-skilled workers. Therefore the theory of a link between a high minimum wage and unemployment of low-skilled workers does not hold up in practice.²⁰

Chart 1: Minimum wage (as % of average wage) and employment rate of low-skilled workers (2010)



Source: DG EMPL calculations on the basis of Eurostat, minimum wage (earn_rmw_avgr2) and employment rate [lfsa_ergaed].

The reality is that competitiveness is not primarily about costs, it is first and foremost about the quality of production. As the table below shows, there is no link between wage-adjusted productivity and the real competitiveness of the economy.

20. One possible explanation for this is that an adequate minimum wage makes it pay to hold down a job. Another possible explanation is that workers' productivity is not fixed and that minimum wages push employers to increase productivity.

Table 2: Wage-adjusted productivity in manufacturing in selected countries, 2009

Country	Apparent labour productivity* (€1000 per employee)	Average personnel costs	Wage-adjusted productivity (%)
EU27	46	34.5	132.1
Czech Republic	22	14.0	154.6
Hungary	23	11.7	199.6
Greece	42	28.0	150.6
Germany	57	47.2	120.7
Portugal	23	15.8	146.7
Slovakia	17	12.3	134.7
Spain	48	35.1	137.2

Source: ETUI Benchmarking Working Europe, 2013

* Apparent labour productivity is defined as value added at factor costs divided by the number of persons employed.

European Member States cannot really try to compete with, for example, Asia on wages. Where they will compete most directly is with each other. But then the only result is going to be a 'wage race to the bottom' in Europe where nobody wins except company profit margins. A systematic approach to supporting adequate wages in a balanced way across Europe is needed to achieve the goal of inclusive growth. If policy-makers do this, they should find that maintaining the purchasing power of wages is an important factor in sustaining demand.

On a matter of principle it also has to be highlighted that although the CSRs tend to give lip service to social dialogue, the reality is that they keep pushing recommendations that have been rejected at national level and are therefore serving to undermine national democratic processes of social dialogue. The feeling is that processes of dismantling collective bargaining undertaken as 'emergency' procedures under the Troika process – for example in Portugal - are now being spread, albeit in a softer way across the Semester countries.

Illustrative example: housing

CSRs on housing have to some extent shown a too simplistic call for liberalisation of housing markets to solve issues of house prices and affordable housing.

For example, Sweden CSR 3: "Further improve the efficiency of the housing market through continued reforms of the rent setting system. In particular, allow more market-oriented rent levels by moving away from the utility value system and further liberalising certain segments of the rental market, and greater freedom of contract between individual tenants and landlords."

There are several problems with such a CSR. Firstly, it does not recognise the specificity of the Swedish housing system, which is rather different to other countries and has shown itself to work well over different economic cycles. The CSR does not justify its belief that getting rid of the rent setting system will solve any issues with the housing supply or prevent significant additional problems for tenants, including eviction and forms of homelessness.

It is also problematic that the role of the social housing sector is confined to responding to ‘market failures’ – i.e. taking care of the needs of the most vulnerable only. This is particularly evident also in the case of recommendations directed to the Netherlands.

Overall, recommendations on housing show no real understanding or thought about the stabilising and counter-cyclical role of public and cooperative housing. Most importantly, they do not adequately consider the long-term positive social impact of a healthy, diverse, accessible, affordable housing market. A more balanced approach to housing is reflected in the 2014 AGS but this is not fully taken up by the CSRs.

LACK OF TRANSPARENCY IN DEFINING CSRS

The impact of the lack of transparency is highlighted in various terms by members of the EU Alliance, including a lack of clarity as to why certain Member States get certain CSRs and others not and why and how CSRs for a particular country change from one year to the next.

ILLUSTRATIVE EXAMPLE: POVERTY IN DIFFERENT MEMBER STATES

Some countries have received a CSR related to poverty and social inclusion.

For example, Romania CSR 6: “In order to alleviate poverty, increase the efficiency and effectiveness of social transfers, particularly for children, and continue reform of social assistance...”

However, there is a total lack of clarity to EU Alliance Members on why some MS received a CSR on poverty and others not. It is good that the UK and Romania each have a poverty recommendation, but why do they have one and Poland and France not, for example? What evidence are those decisions based on? There is no obvious link with, for example, EU SILC data on poverty.

There is a concern that there does not appear to be any analysis of the (albeit insufficient) national targets or an assessment of trends for different risk groups to identify where the greatest problems and challenges lie in each country to inform the CSRs.

Nor do the priorities identified by Member States in the NRPs and NSRs – including for example many references to homelessness - seem to clearly inform the elaboration of CSRs.

ILLUSTRATIVE EXAMPLE: GENDER PAY GAP IN AUSTRIA

In previous years, Austria received the welcome recommendation to tackle the gender pay gap – an issue which should be being addressed systematically across the EU.

Austria CSR 4 (2012): “Reduce the high gender pay gap and enhance full-time employment opportunities for women, in particular through the provision of additional care services for dependants.”

Austria CSR 3 (2013): “Take new measures to increase the labour market participation of women, namely by further improving childcare and long-term care services and address the high gender pay and pension gaps.”

The 2014 CSR document for Austria still recognises that the “the gender pay and pension gap is one of the highest in the EU”. However, the recommendations on addressing the gender pay gap disappears.

On what basis did the recommendation disappear? Did this challenge become less? Did other challenges become greater? How and with whom can organisations engage on this issue and the urgent need for long-term national strategies to reduce the gender pay gap, the gender pension's gap and addressing gender segregation in education and work?

ILLUSTRATIVE EXAMPLE: SOCIAL INCLUSION OF MIGRANTS IN BELGIUM

In 2013, Belgium had a very positive CSR on the social inclusion of migrants, which provided a good example of the kind of approaches needed to provide inclusive growth.

Belgium CSR 6 (2013): Develop comprehensive social-inclusion and labour market strategies for people with a migrant background.

However, in the new round of CSRs in 2014 the approach has changed markedly.

Belgium CSR 4 (2014): "Increase labour market participation, notably by reducing financial disincentives to work, increasing labour market access for disadvantaged groups such as the young and people with a migrant background..."

The shift of focus to a purely labour market integration is problematic and counter-productive for the delivery of real results for disadvantaged groups facing multiple barriers to social inclusion. Why has this shift been made?

SOME POSITIVE CSR ELEMENTS BUT NOT STRONG OR COHERENT ENOUGH.

There are some welcome recommendations and trends within the CSRs. Members of the EU Alliance sought to highlight that the European level has added value in particular by directing attention to the crucial issue of tackling child poverty and the importance of better taxation – although there are still shortcomings in the coherence of the approaches.

ILLUSTRATIVE EXAMPLE: BETTER TAXATION

Many countries are reminded of the importance of more growth-friendly taxation and/or ensuring tax compliance and/or tackling tax avoidance and tax evasion as an important element of the response to budget deficits.

For example, Latvia CSR 1: "...Pursue efforts to further reduce the tax burden on low-income earners in the context of a shift towards more growth-friendly property and environmental taxes and by improving tax compliance and collection."

These references are welcomed. However, while the recommendations sound laudable, the reality is often that the budget cuts demanded under the macro-economic recommendations have led to cuts in tax offices. It is estimated that 50 000 staff have been cut from tax administrations across Europe 2007-12²¹. It is not clear that sensible analysis is being undertaken to determine whether these posts bring more money into the state budget than they cost.

21. <http://www.epsu.org/a/9397>

Equally there are little signs of an inclusive tax justice approach which promotes tax as a key instrument to support progressive redistribution which can impact on growing economic inequalities and promote inclusive growth, particularly through: support for more progressive income tax regimes (instead of flat taxes); taxes on property, inheritance and wealth; and more effective corporation taxes. These should be favoured over a reliance on taxes on consumption (VAT) which are inherently regressive because essential goods take a larger proportion of poor households' income

ILLUSTRATIVE EXAMPLE: CHILD POVERTY

There has been an increase in attention on child poverty, with seven countries receiving a child poverty recommendation in 2014 (up from six in 2013).

For example, UK CSR 4: "Continue efforts to reduce child poverty in low-income households, by ensuring that the Universal Credit and other welfare reforms deliver adequate benefits with clear work incentives and support services. Improve the availability of affordable quality childcare."

However, a number of weaknesses in approach are identified. Firstly, seven is still a relatively small percentage of all EU Member States. Do other countries not need to address child poverty as a priority issue for inclusive, sustainable growth? It seems, perversely, that countries who have their own child poverty strategy and/or target already (such as the UK) are more, not less, likely to get a child poverty recommendation.

Furthermore, there is a lack of a clear reflection in the CSRs of the Social Investment Package recommendation on Investment in Children. For example, an Independent Network of Experts (under the auspices of the European Commission) assessed the Member States on Investing in Children, identifying gaps and recommendations for example around welfare, education etc. It is not at all clear that this work is being picked up in the drafting of the CSRs.

There are some welcome references to the importance of quality childcare.

For example, Poland CSR 3: "...taking further steps to increase the availability of affordable quality childcare and pre-school education..."

There were however, fewer CSRs on childcare in 2014 (9) than in 2013 (12). Furthermore, there are concerns that childcare is still in practice often seen simply as a tool for promoting female employment rather than as a key tool in ensuring good outcomes for children.

For example, Slovakia CSR 3: "Improve incentives for women's employment, by enhancing the provision of child-care facilities, in particular for children below three years of age."

This is particularly concerning when there is a focus on ever more efficiency gains in childcare services and no evidence that childcare is part of an integrated strategy for tackling child poverty and disadvantage.

ILLUSTRATIVE EXAMPLE: QUALITY EMPLOYMENT

It is essential that the CSRs promote decent and adequately paid work as part of its commitment to better jobs.

There are some positive and welcome references to quality employment.

For example, Spain CSR 3: “Pursue new measures to reduce labour market segmentation to favour sustainable, quality jobs, including through reducing the number of contract types and ensuring a balanced access to severance rights.”

There are welcome references for the need for quality opportunities in the context of the youth guarantee.

For example, Italy CSR 5: “Provide adequate services across the country to non-registered young people and ensure stronger private sector’s commitment to offering quality apprenticeships and traineeships by the end of 2014, in line with the objectives of a youth guarantee.”

However, these are few and far between compared to CSRs that are actively promoting increased ‘flexibility’ in the labour market that is serving in practice to undermine, for example, wage levels, workers’ rights and health and safety at work in the name of competitiveness. The issue of in-work poverty is not once mentioned in the CSRs.

For example, Portugal CSR 2: “Explore, in consultation with the social partners and in accordance with national practice, the possibility of firm-level temporary opt-out arrangements from sectoral contracts agreed between employers and workers’ representatives.”

ILLUSTRATIVE EXAMPLE: MINIMUM INCOME

In 2014, a significant number of MS received CSRs on adequacy of minimum income and other benefits.

For example, Hungary CSR 4: “...Improve the adequacy and coverage of social assistance...”

For Alliance members this is an important step forward for strengthening this crucial pillar of the Active Inclusion Strategy (1. access to adequate minimum income; 2. inclusive labour market; and 3. access to quality services). Access to adequate minimum income is essential to ensure people on the poverty line receive adequate financial support to keep them out of poverty and closer to the labour market.

However, in Hungary, as in many other MS, the CSR has an important second element. CSR 4 for Hungary continues: “Improve the adequacy and coverage of social assistance while strengthening the link to activation.”

The impact of this emphasis on the link to activation is mainly to put pressure on MS to increase harsh conditionalities associated with social assistance. The threat to vulnerable people of reduced or lost benefits if they fail to take up or access any job is likely to increase the difficulty of accessing decent employment, seriously risk prolonging exclusion and undermine household incomes at a time when a sustainable recovery needs to encourage demand for goods and services.

In Italy, there seems to be a welcome step towards a national minimum income scheme. However, a focus on targeting rather than universal access is likely to undermine the commitment to universal services as a key pillar of the social model and to undermine its effectiveness to prevent as well as alleviate poverty risk.

ILLUSTRATIVE EXAMPLE: ENERGY EFFICIENCY OF BUILDINGS

Improving the energy efficiency of buildings is an important element of improved energy efficiency towards the EU2020 environmental/climate targets. There have been some positive CSRs recognising the importance of this issue. According to the Commission, five countries received such a recommendation.

For example, Lithuania CSR 6: “Step up measures to improve the energy efficiency of buildings.”

This is a good objective, but it can only happen if there is financial support for this type of investment, especially refurbishment of the existing housing stock. This needs to be part of a coherent approach reflected in other spending decisions and policies around housing.

NATIONAL CASE STUDIES

The following two case studies are based on reports submitted by pilot national alliances developed in the context of the EU Semester Alliance project and interviews with national alliance members conducted during a study visit to each country. They present the voices of the members wherever possible.

A third national case study on Denmark covers the details of the national political processes and participation around the European Semester. It can be found on page 20 of this report.

NATIONAL CASE STUDY – BULGARIA

This case study is based on a study visit to meet members of the Bulgarian national pilot Alliance²² in Sofia on 14 August 2014 and the content of the pilot Alliance's report 'Bulgaria for a Democratic, Social and Sustainable European Semester'.

“By GDP per capita Bulgaria belongs to the group of middle income countries (even middle to high), but data on poverty ratios rank the country as the poorest in Europe. This huge discrepancy is attributable to the huge income inequalities... [there is the] absence of a clear understanding that inequalities (and the mechanisms generating them) are the major cause blocking the growth and development of the country.”

BULGARIAN CASE STUDY - NRP PROCESS

The national Alliance members in Bulgaria highlighted a lack of meaningful participation. “Most organisations in the Alliance have experience of talking to the government about the NRP, for example, through the national council of social inclusion and other national representative bodies. However, this participation is meaningless. These bodies are imitations of consultation.”

The problem is not necessarily that civil society cannot say what it thinks, but that there is no evidence that the points they are making are being addressed. “We do not expect that the government will do everything that we would like them to do. But we do expect that they justify their position and explain why they have rejected our proposals or our analysis and why they have accepted alternative proposals made, for example, by neo-liberal think tanks.”

The Alliance also highlights the lack of democratic oversight of the NRP elaboration “It was adopted by the government and sent to Brussels without having been widely discussed and without informing the public. The NRP is adopted by the Council of Ministers. We have not seen it go through the national Parliament.”

Social dialogue is being seriously undermined. “Trade Unions have some opportunities to take part in social dialogue with the government and employers, but increasingly the other two are in the same camp and already have a shared opinion, so our voice is not listened to. It has got to the point where we are having to think about stopping going to these pointless meetings and instead look at industrial action.”

The feeling is that “the NRP is just a bureaucratic process maintaining the status quo. It was not possible to influence the first NRP and the social goals are very low. After the first accepting of this draft, now the process is automatic, just a back and forth update between the government and the Commission. The NRP now follows to a large extent the recommendations of the European Commission.”

22. The National Pilot Alliance in Bulgaria includes: Confederation of Independent Trade-Unions (CITUB); Confederation of Labour “Podkrepa” (CL “Podkrepa”); Bulgarian Foundation for Gender Research (BWL); Union of Retirees – 2004; Solidarity Bulgaria; Union of Economists in Bulgaria (BUE); Association Bulgaria Si Ti; Alliance for Children and Youth; Foundation “Health and Social Development”; National Federation of Employers of People with Disabilities; Association “Best 2 Be”; National Alliance for Social Responsibility; Foundation “Blue Bird”; and Anti-Poverty Information Centre (EAPN Bulgaria) – co-ordinator

Equally, “the National Social Reports do not comprise a significant component in the European Semester and play a secondary role therein. So, the observations and the documents most closely related to the distribution of income, real income levels, social protection, living standards, etc., assume secondary importance in European governance – they are not influential components of the Semester.”

BULGARIAN CASE STUDY - CSRS

The CSRs are seen as a more important and influential elements of the Semester process than the NRP. “As the degree of ceding national sovereignty for Bulgaria is quite high... the NRP sticks to the major policy parameters (framework) outlined by the Country-specific recommendations and the Annual Growth Survey, regardless of the social and economic specifics of the country. All this makes AGS and CSR for Bulgaria highly important as they have a very strong influence on national policies and on the economic and social situation in the country.”

- **Bulgarian Case Study - A lack of balanced analysis in the CSRs**

“We hoped that CSR would be a positive force on our national government. But each year, they get more in line with what the government is doing. The CSRs for Bulgaria do not reflect the realities in Bulgaria. The picture of the realities is distorted by the deliberate focus on economic realities and much less attention given to their social impacts. As far as the economic monitoring is concerned, the primary attention is oriented to the financial sphere at the expense of the real sector. The Semester has ignored extremely important aspects of the economic and social realities.”

In most general terms, the deformation of the Recommendations manifests itself in the fact that they are not ‘specific’ enough, i.e. they are not focused at the issues that seem to be of utmost importance for the country. The macroeconomic situation is extremely varied in the new EU Member States differing from those belonging to the Eurozone. Neglecting these differences results in offering general prescriptions in the Recommendations, such as: “Maintain a healthy fiscal environment”, or “hold back salary growth, minimum wages, respectively”. However, such recommendations are seen as low-productive and could be even counterproductive for Bulgaria (and other countries as well).

For a country like Bulgaria, which is rapidly losing population, achieving employment targets and poverty reduction cannot be limited to pure numbers. “The government reports progress in reducing the number of poor people by over 73 000 compared to 2008. However, the EU-SILC data report that the poverty level has practically not changed throughout the period, which means that the number of the poor has decreased in absolute figures only due to the drop in population.”

One of the major problems seems to be an imbalance in analysis. The Alliance members feel that “there is an excessive influence of neo-liberal think tanks”. This is partly because “they have the resources compared to the social bodies.” But it is also about political choices. “Neoliberal think tanks in Bulgaria help to prepare the propositions to the Commission for the CSRs. There is an important democratic deficit. No one answers why they accept certain proposals and reject others.”

Unfortunately, the result is “CSRs that do not contribute to growth and development. And they do not contribute to social aims. It is not an exaggeration to say that CSRs are counterproductive for growth and social goals...Troika or not it’s almost the same.” Policy-making needs to be made on the basis of more neutral academic research and involving civil society to give a proper reflection of the situation on the ground. The policy of strict budget restrictions and refraining from external borrowing does not allow – especially in emerging markets – to earmark resources aiming to encourage growth.

- **Bulgarian Case Study - Imbalanced CSRs going too far, too fast**

CSR 2: “Adopt a long-term strategy for the pension system, proceeding with the planned annual increase in the statutory retirement age and setting out a mechanism to link the statutory retirement age to life expectancy in the long term, while phasing out early retirement options and equalising the statutory retirement age for men and women.”

“The Commission is focusing on a perceived delay in the pension reform. However, in the most economically developed countries in the EU these reforms were either significantly delayed or deferred in time. Since 2000, Bulgaria has undertaken and implemented dramatic reforms in the pension system: the requirements for years of service were increased dramatically from 25 years to 37 years and 4 months for men and from 20 to 34 years and 4 months for women and retirement age respectively - from 60 to 63.8 and from 55 to 60.8 years. There is hardly another country that has implemented such changes.”

CSR 2: “Tighten eligibility criteria and procedures for the allocation of invalidity pensions, for example by taking better account of the remaining work capacity of applicants.”

It is right to limit the cases of people wrongfully obtaining disability pensions. However, it is also essential to ensure appropriate and adequate support to those who are genuinely affected. This means increasing the amount of disability pensions to an adequate level and alleviating the procedural demands on people with disabilities who are often subjected to humiliation. Measures to tighten eligibility criteria should be accompanied by new policies for supporting people with disabilities.

CSR 3: Take forward the comprehensive review of minimum thresholds for social security contributions so as to make sure that the system does not price the low-skilled out of the labour market. Establish, in consultation with social partners, transparent guidelines for the adjustment of the statutory minimum wages taking into account the impact on employment and competitiveness.

“The EC again reproduces these recommendations despite explicit statements of the two representative trade unions that reject these perceived links. There is no evidence or data showing a negative effect of increasing the minimum thresholds for social security contributions and the minimum wage on the employment of low-skilled workers. Indeed, the trade unions have already produced data showing that the declining employment rate of low skilled workers after 2008 is due to dismissal of this workforce during the crisis and not because of the increase in the minimum wage that occurred only in September 2011.”

Salaries in Bulgaria are already among the lowest in the entire European Union. Around one in three workers in Bulgaria is currently estimated to be experiencing poverty. An adequate minimum wage is an essential tool for tackling the increasing problem of in-work poverty. “The concerns expressed by the European Commission only arouse bewilderment.”

“We have gone through CSRs for other countries. In Austria, they argued to lower tax for lower income workers. In Bulgaria the problem is much bigger in Austria. But when we asked Commission why we don’t have a recommendation on the same thing and they say they cannot speak on tax issues.”

CSR3: “In order to alleviate poverty, further improve the accessibility and effectiveness of social services and transfers for children and older people.”

The tackling of poverty and inequalities is a key issue for promoting sustainable, inclusive growth in Bulgaria. The accessibility and effectiveness of social services and transfers are an important element and their recognition in the CSRs is welcome. However, this does not currently seem to be coherent within an approach that has as the first recommendation to reinforce budgetary measures, shrink social expenditure and disapproves of raising minimum wages.

CSR 4: “...increase the level and relevance of skills acquired at all levels...[and] Step up efforts to improve access to quality inclusive pre-school and school education of disadvantaged children, in particular Roma, and implement strictly the rules linking the payment of child allowance to participation in education.

The recommendations to improve skills and access to quality education can be welcomed. However, the recommendation binds education with the current state of the business and child allowances. Such a narrow approach misses many important current developments, such as the low share of public expenditure for education; closing of schools in low-populated areas; and a distorted labour market with specific occupational niches... The question of how poverty affects educational achievement has never been asked.”

- **Bulgarian Case Study - Missing elements**

“There is still **no Equal Opportunities Law** in Bulgaria. There is no recommendation on this. The UN Commission on Equal Rights presented evidence of very low quality of services for domestic violence and trafficking in Bulgaria. Again, nothing on this.”

“There are **no adequate recommendations for improving employment** because the monitoring failed to establish the inability of the Bulgarian economy to create employment and to identify the main reasons leading to such incapacity - there is no evaluation of structural unemployment, which is an effect and a sign of the deepening crisis and instability of labour markets.

“There is **increasing poverty among the employed**, the main reasons lying in the systematic and widespread delays in payment of wages and other remuneration owed to workers as well as denials to pay remunerations already earned. Instead of spotting these problems and assessing their impact on poverty and domestic demand, the Commission sent its representatives on a fact-finding mission on the occasion of the ‘warning’ that the nominal labour costs in Bulgaria are rising rapidly thus posing a risk of macroeconomic imbalances.”

Also, the CSRs suggest rising the effective retirement age, but this will just push people from pensions to unemployment benefits and/or poverty if there are no jobs for them. There is a need to “draw up accurate actuarial assumptions and discuss, together with the social partners, a long-term plan for gradual increase of social security contributions till the situation of excessive deficit in the Public Social Insurance Budget is remedied.”

“The general income taxation (taxes plus social security contributions) in Bulgaria is in fact regressive, which means that the taxation system does not correct the too large income differences after the primary distribution.” However, there is no recommendation on this. Nor about challenging “the unprecedented expansion of the scope of low-rate flat tax across the Eastern part of Europe. **Bulgaria is in essence a tax haven** after the introduction of the 10% flat tax on personal income and on corporate profits – actually the lowest in EU.”

“The **absence of adequate housing policy** has been neglected for years. This is one of the main reasons for the emergence of new ghettos. European institutions start noticing this problem only when it comes to demolition of illegal buildings – then Bulgaria would be held responsible once again and obliged to pay penalties.”

Another missing topic is the “**provision of health services to uninsured persons**. Official data report that long-term unemployed people with no health insurance ran into 460 000 as of November 2013. They cannot benefit from any out-patient healthcare, so their only option is emergency healthcare. This unit is extremely overloaded resulting in doubtful effectiveness... medical disorders become chronic, disability rates are growing, and the citizens are not in a position to lead an active family and working life.”

“The problem of extremely **acute energy poverty** is ignored. Today, international institutions, the EU and the United States criticize Bulgaria for the strong energy dependence on Russia and recommend ‘diversification’. But CSR leaves in silence the questions: exactly what diversification, with what resources and with what effects.”

NATIONAL CASE STUDY – IRELAND

This case study is based on a study visit to meet members of the Irish national pilot Alliance²³ in Dublin on 28 July 2014 and the content of the national Alliance's Response to the 2014 CSRs for Ireland.

Since the introduction of the Europe 2020 strategy, consistent poverty in Ireland has increased from 4.2% to 7.7% of the population.

IRISH CASE STUDY - NRPS

An NRP process providing only tokenistic participation

The experience of the pilot national alliance members in Ireland with regards participation around the NRP and NSR is revealing.

“Historically we were ahead of other countries on consultation with strong intermediary bodies such as the Combat Poverty Agenda. The ERDF was such an important budget that the European Commission had leverage and was good at pushing for proper consultation. The Commission was an ally. The attitude in Ireland now seems to be that good participatory processes somehow caused the problems we are facing now, rather than the impact of the banks and unregulated financial markets. The intermediary bodies have all been cut in the name of austerity.”

“We were invited to a meeting at the Department of Social Protection where the NRP and NSR were presented. We were asked what we thought and we gave some initial reactions. Then they said thanks very much. We thought the meeting was going to be about how the process of consultation and submissions would work, but we found that that actually had been the consultation meeting! That was it!”

Such a process reveals tokenistic participation. The Alliance members continue: “The NRP lists different processes such as the social inclusion forum as if they are stakeholder participation building up to the NRP. But that is not an accurate reflection of what the meetings were about. They are trying to sound really good, but this is not a real participatory process.”

The importance of different parallel elements also remains relatively unclear. “There is a lack of coherence between the NSR and the NRP. There is more detail in the NSR, but what is the point of engaging with the process if it doesn't actually lead to anything? It would make more sense if one fed into the other. It feels like we're just having to submit our views to a succession of documents. We need more time for proper consultation on the real issues and to get feedback on why decisions have been taken. Good principles around consultation should be recognised and embedded.”

The Environmental Pillar experience has been that it receives a letter with the first draft of the NRP and a very brief period of a few days to respond, and this is followed by an opportunity to comment on the penultimate draft with only a matter of one or two days at most. There have been no face to face meetings with officials since 2010.”

The general feeling in the Irish Alliance is that as things currently stand, “the CSRs seem more important than the NRP or NSR, with more influence on policy.” They particularly highlight the dangers and risks of this trend with its implication that inputting to the European level on the CSRs would have to be prioritised over real engagement with a working process with the government at national level.

23. The members of the national pilot Alliance in Ireland (the Better Europe Alliance) are: Disability Federation of Ireland; Environmental Pillar; EAPN Ireland (coordinator); Irish National Organisation of the Unemployed; National Adult Learner Agency; National Association of Building Cooperatives; National Women's Council of Ireland; SIPTU; Social Justice Ireland. Contact: paul@eapn.ie

IRISH CASE STUDY - CSRS

The CSRs are now largely seen as the most important element of the Semester Process, however this raises serious questions about democratic processes of policy development. It is a big problem that the most influential element of the process is developed by the Commission with little input from the national government and even less from national stakeholders. “It is even harder to input into the drafting of the CSRs. Who is deciding them and on what basis? You can’t trace the argument being made.”

Some members of the Alliance feel that “the CSRs seem to come from nowhere.” However, others see that “some of the CSRs clearly seem to come from the work of IGEES (the Irish Government Economic Evaluation Service)”. Either way, the result is an imbalance in the content of the CSRs that fails to reveal a coherent overall strategy.

“The Recommendations present a somewhat disjointed approach, lacking any sense of strategic direction which would support a balanced approach to achieving both the goals of Europe 2020 and the Growth and Stability Pact.” Furthermore, “there are things in the CSRs that seem to be left over from the Troika process. The first CSR is very strong on the macro-economic which totally dominates the agenda. There is a lack of thought around how social investment contributes to the economy. How are cuts in healthcare impacting on society and the economy? etc.”

- **Irish Case Study - Some positive elements in the CSRs. However...**

There are positive recommendations which Alliance members welcome. For example:

CSR 3: “Offer more workplace training; improve and ensure the relevance of FET courses and apprenticeships with respect to labour market needs. Increase the level and quality of support services provided by the *Intreo* Labour offices. Put in place a seamless FET referrals system between *Intreo* offices and Education and Training Boards.”

These elements can be welcomed in theory. However, it is essential to recognise that “support needs to be provided in a positive and enabling culture rather than an over-emphasis on control and sanction.” This is not a hypothetical concern, because the members of the Alliance can already see the impact of the imbalanced approach and the dominance of cost-cutting on the ground. The “strong emphasis on the live register and those on jobseeker payments within the activation and public employment system are resulting in structural exclusion and effective discrimination against many of the groups and individuals disproportionately represented in low-work intensity households.”

CSR 4: “address the poverty risk of children through tapered withdrawal of benefits and supplementary payments upon return to employment.

The Alliance welcomes such an approach, which “should help address issues of poverty traps”. However, once again, it is essential that the measures are implemented within a coherent and strategic overall “approach ensuring access to adequate income, quality services and an inclusive labour market. It must also involve addressing the range of barriers faced by those distant from the labour market.” The Alliance members feel that “the tone and focus of Recommendation 1 throws up serious obstacles to implementing this Recommendation”.

CSR 4: Facilitate female labour market participation by improving access to more affordable and full-time childcare, particularly for low income families.”

Equally, the Irish Alliance “strongly supports the recommendation to improve access to affordable childcare as one essential measure to improve female labour market participation.” However, “it is also essential to ensure that childcare provision is of high quality.” This is needed to enjoy the “long-term benefits from investment in the development of children” as part of a “holistic approach to addressing child poverty”. A balanced approach to improving childcare provision provides real opportunities to contribute to several objectives of the EU2020 strategy.

- **Irish Case Study - Dominance of the macro-economic in the CSRs**

The above analysis highlights concerns that “the tone and focus [of Recommendation 1] throws up serious obstacles to implementing” positive elements of the other CSRs. The issue is that the first CSR is so dominant over the implementation of all the other CSRs by continuing to push for reductions to government expenditure without any clear recognition of the benefits of social, health and green investment. “It is essential that measures taken to implement budget deficits in Recommendation 1 take into account their social and environmental impact.”

For example, the focus of Recommendation 2 is on cost-effectiveness of healthcare. “It is essential that the focus on cost-effectiveness and savings in the area of health does not result in making health services less accessible or effective... The objective of improving health outcomes, particularly among disadvantaged socio-economic groups, should be central to reforms in the health sector and in other fields that contribute to quality of life e.g. housing, transport and planning.”

Furthermore, “the Alliance is extremely alarmed by the statement [in CSR1] to make the government expenditure ceiling more binding by limiting the statutory scope for discretionary changes. While the Alliance supports the principle of greater transparency in discretionary spending, imposing restrictive expenditure ceiling runs counter to the Europe 2020 Strategy vision of smart, sustainable and inclusive growth. It will also prevent Europe addressing core issues such as poverty and inequality, unemployment, long term care, pensions, environmental degradation and the necessary investments in reducing the carbon footprint of Ireland.”

“The Alliance calls for all expenditure and tax measures to be submitted to a process of poverty, equality, gender and environmental impact assessment. This process must be transparent and clearly outline the link between the impact assessment and the decisions being made.”

- **Irish Case Study - Missing elements in the CSR**

The Irish Alliance highlights that the CSRs “do not include recommendations on some key areas which should be addressed if Ireland is to bring about balanced smart, sustainable and inclusive growth. This includes the areas of **climate change, resource efficiency, poverty reduction, gender mainstreaming, pensions and access to health and long term care.**”

“It is very surprising that there is no mention of the property market within the Country Specific Recommendations, when so much of its current problems derive from huge speculation in the real sector and when the current housing crisis with a **lack of affordable and social housing and rapidly increasing house prices** in areas such as Dublin is affecting many Irish households.”

There is **no CSR to Ireland in relation to climate impact**. This is despite clear recognition in the Commission’s Staff Working Paper that Ireland is not on course to meet its greenhouse gas emission targets and that little progress has been made on specific actions that would lead it to meet its climate and environmental targets under Europe 2020. “It is hard to believe that a complete and worsening failure to meet one of the 5 targets does not merit any recommendation to Ireland or even a mention in the context of the CSRs.”

KEY RECOMMENDATIONS

On the basis of the headline and detailed stage-by-stage analysis of the European Semester in 2014, the EU Alliance makes the following six key recommendations for the European Semester:

1. Political reconfirmation of a European Semester following the philosophy and targets of the balanced Europe 2020 Agenda towards smart, sustainable and inclusive growth

The 'EU Alliance for a democratic, social and sustainable European Semester' urges the European Semester to clearly recognise that growth alone is not enough. It must reconfirm its commitment to the philosophy that growth must be 'smart, sustainable and inclusive' to be able to deliver long-term prosperity, sustainable development and social justice, based on the respect of fundamental rights for all. It needs to reconfirm the importance of the European poverty and climate targets as well as those around education, employment and research for achieving this vision.

The philosophy of this balanced Europe 2020 agenda should be at the heart of the European Semester and clearly visible in all of its process and content, starting with a clear rebalancing of priorities within the 2015 Annual Growth Survey. Equally, the balance of the social elements should not be limited to tackling unemployment and the social consequences of the crisis, but present more ambitious strategic aims around creating quality employment and tackling the causes of poverty and social exclusion, and delivering on the agreed targets.

The new European Commission and European Parliament in 2014 and the mid-term review of the Europe 2020 Strategy should provide opportunities to reconfirm and strengthen this balanced political vision for the EU, re-focussing on Europe 2020. In this context, there are elements of Jean-Claude Juncker's Political Guidelines for the next European Commission²⁴ that should be built upon, including the recognition that:

"[In responding to the crisis] mistakes were made. There was a lack of social fairness. Democratic legitimacy suffered... Our European Union is more than a big common market. It is also a Union of shared values, which are spelled out in the Treaties and in the Charter of Fundamental Rights."

2. A European Semester with a clear focus on the targets and on delivering 'Social Investment', 'More and Better Jobs', 'Environmentally Sustainable Development', and 'Gender Equality'

The EU has made a number of commitments that reflect the kind of society that Europeans want to build and the kind of economies they want to develop. The European Semester should be clearly and explicitly enhancing the achievement of these principles through the promotion of integrated strategies and highlighting areas of weakness and lack of coherence. In some cases, new or more explicit overarching strategies are called for. **For example, the case of the poverty target, which lacks an explicit overarching multidimensional anti-poverty strategy** that builds on core agreed EU rights and principles (ie Treaty Articles, Charter of Fundamental Rights, the re-confirmed Common Objectives of the Social OMC).

24. Political Guidelines for the next European Commission
http://ec.europa.eu/about/juncker-commission/docs/pg_en.pdf

The EU Alliance also calls for the European Semester to use a more balanced, transparent and participatory approach to policy-making to achieve implementation of:

- **Social Investment**

As the web page of the EU's Social Investment Package (SIP) states: "Social investment is about investing in people. It means policies designed to strengthen people's skills and capacities and support them to participate fully in employment and social life. Key policy areas include education, quality childcare, healthcare, training, job-search assistance and rehabilitation."

EU Alliance members stress the "investment" aspect of social investment. Spending on these areas is not simply a cost. It is an essential part of a coherent strategy for tackling poverty, reducing health inequalities and supporting participation in the labour market, in avoiding more costly problems later on and in building social cohesion and the kind of stronger societies in which it is good to live and good to do business.

The Commission should develop a concrete programme to operationalize the SIP. Social investment should then be at the heart of the semester analysis and recommendations. Social Investment must be seen as a complement to social protection, not to replace it. It should look to highlight and promote the importance of social investment as part of an overarching strategy on poverty, as well as in thematic areas/strategies on homelessness, active inclusion, investing in children, adequacy of universal social protection systems and minimum income across the whole life span, ensuring universal access to quality health and social care services including quality childcare, and promoting active ageing supported by age-friendly environments.

- **More and Better Jobs**

European leaders have long recognised the essential need to deliver more and better jobs, notably through the European Employment Strategy. However, this cannot be achieved by treating better jobs as an afterthought. The employment strategy recognises the importance of the structural causes of unemployment and the need for solutions focused on job creation and support to people who are struggling to access the labour market. This thinking must also be at the heart of the Semester analysis and recommendations.

Strategies need to look at potential growth areas for employment, including the green economy and health and social care services and how investment (or the removal of obstacles) can foster quality job creation.

The principle of better jobs needs to be much more explicitly and strongly supported, both as a means of lifting individuals out of poverty and to bolster domestic demand and thus the wider economy. This means ensuring decent working conditions for the whole working age population (supported by education and lifelong learning), access to workers' rights and social protection and an adequate wage. Strengthening collective bargaining and social dialogue can be a key tool in this context.

The implementation of the Youth Guarantee must explicitly ensure quality of opportunities for young people.

More could usefully be done to highlight problematic employment and the increasing phenomenon of in-work poverty. One means of doing this could be to focus employment statistics on the number of full-time job equivalents and to ensure that jobs that do not ensure an adequate minimum income are not used to give a falsely positive impression of the real employment picture.

○ **Environmentally Sustainable Development**

Europe's future prosperity depends on greater energy and resource efficiency to deliver a more environmentally sustainable form of growth. A broad transformation towards a green economy also offers the potential to create up to 20 million jobs by 2020, according to European Commission estimates.²⁵

However, achieving this long-term vision requires important changes in approach, including a much stronger focus on environmental priorities in the AGS and a wider coverage of environmental issues in the CSRs, including on environmental fiscal reform, biodiversity and ecosystem services, recycling, eco-innovation, air pollution, water and waste management.

Europe cannot simply hope to return to its former growth models. Green organisations are clear that there needs to be a change of focus of the tax system from putting the burden on employment to increasing the price of environmentally harmful, high-consumption and high-pollution activities: "tax what you burn, not what you earn."

Such a change would need to be done in a careful and considered way, using the tax resources acquired to replace the employment-related taxes or social security contributions to ensure adequate funding of social security and social protection systems.²⁶ Measures would also need to be taken to avoid fuel poverty of vulnerable people. Yet green organisations are keen to argue that a green tax shift can encourage job creation by reducing labour costs and be more consistent with the aims of EU2020 – than labour taxes or VAT - in terms of growth and social equity.

An even easier win is available to Europe through a dedicated move to phase out environmentally harmful subsidies and tax exemptions on fossil fuels. The fact that public money is still spent on such activities is exactly the opposite of what the philosophy of the EU2020 Agenda seeks to aspire to and should be being systematically targeted by CSRs.

It is important that, through the European Semester, Member States are encouraged to invest in the green economy, such as renewable energies, decentralised energy production, and increased energy efficiency in housing and other buildings. This investment will come at a short-term cost but will provide a more sustainable basis for jobs, growth and prosperity in the future. The principles of the Green New Deal would be a useful starting point.²⁷

○ **Gender Equality**

As the European Commission highlights "The first European Pact for Gender Equality was adopted by the European Council in 2006. The Pact emphasized the importance of utilizing women's untapped potential in the labour market, including by promoting women's empowerment in economic and political life, and of the need to close gender gaps, combat gender stereotypes and to promote better work/life balance for women and men."

Gender equality is thus important both as a basic principle to be aspired to and as a means of promoting smart, sustainable and inclusive growth. However, gender equality is totally marginalised in the European Semester, not forming an explicit part of the EU2020 Agenda and failing to be taken adequately into account in the development of NRPs and CSRs.

The European Semester should seek to harness the potential of achieving gender and other equality objectives as part of its broader strategy to meet Europe's challenges. Tackling issues such as the gender pay gap and inequalities in retirement income should be at the heart of a coherent long-term strategy to achieve the modern economy and society the EU aspires to.

25. European Commission press release, 02/07/2014: http://europa.eu/rapid/press-release_IP-14-765_en.htm

26. In Germany, 89% of the environmental tax revenues are used to reduce social security contributions (these are roughly split 50:50 between employer and employee contributions)

27. <http://greennewdeal.eu/>

3. Much greater coherence and transparency in the delivery of country specific recommendations following the philosophy of the balanced EU2020 Agenda

Issues around the scope of EU competence should not be used to provide weaker analysis and recommendations on achieving social, education and environment objectives. Decision-making needs to much more faithfully balance the evidence of economic, social and environmental data and justify the selection according to the agreed criteria for smart, sustainable and inclusive growth.

It should be confirmed that the CSRs are an instrument to deliver on all Europe 2020 targets in all Member States. For example, there should be a specific CSR on tackling poverty for every Member State, clearly highlighting their specific challenges and key areas for focus and ensuring coherence with the other CSRs.

There needs to be much more clarity and openness about the process of analysis leading to the definition of specific CSRs. It should be clear and open what processes are being used to assess the available evidence across the range of 'smart, sustainable and inclusive' targets and who is leading the process, including an open timetable for proposals.

The Semester Process will not be sustainable if CSRs appear and disappear without a clear and justified logic. For example, why did Austria lose its CSR to tackle the gender pay gap from 2013 to 2014? Was it on the basis on any perceived improvement or a lessening of the seriousness of the problem? Why do only a few countries have a CSR on tackling poverty and why those countries and not others?

The drafting of the CSRs should make it clear how it has reflected on national performance against the range of EU2020 targets to make an overall decision on where the priorities lie. The agreement of the CSRs should also demonstrate it has considered the coherence between different recommendations and how short-term financial considerations are being balanced against longer term objectives.

Improved transparency would improve the legitimacy of the process and give engaged stakeholders an opportunity to join in the discussion and make their case for or against the decisions being taken. This would complement the EU Guidelines on democratic participation and stakeholder engagement to provide a much improved Semester Process with increased potential to deliver real progress towards the achievement of Europe's balanced objectives.

4. EU Guidelines to ensure debate in parliaments and meaningful structured dialogue with all relevant stakeholders at national and EU level

There is an urgent need for obligatory EU Guidelines - developed with Member States - to strengthen democratic participation and engagement in the European Semester process. The guidelines need to make it clear how and why effective debate in parliaments and meaningful structured dialogue with relevant stakeholders at national and EU level must be implemented.

The guidelines should make it a requirement that NRPs are fully debated and endorsed by national parliaments as an essential part of democratising the Semester process. Also, the European Parliament (EP) should have co-decision on the Annual Growth Survey and within the European Semester process, supporting the EP's call²⁸ for Inter-institutional Agreement to involve Parliament in the drafting and approval of the Annual Growth Survey and the Economic Policy and Employment Guidelines.

Participatory democracy is not a hoop to be jumped through by meaningless consultation on policies that are already being delivered. Real participation with trade unions and civil society organisations can deliver better policy-making by taking into account many of the perspectives and realities facing people affected by policy-making that are either hidden in statistics or take years to show up. Civil Society stakeholder engagement is also key for democratic legitimacy and vital to build ownership, and democratic legitimacy of EU policies, and support for the EU project.

28. EP Resolution on the European Semester – Employment and Social Aspects in the AGS 2014. (23.02.2014)

National reform programmes should therefore be developed on the basis of regular, structured dialogue involving multi-level governance, social partners and civil society organisations, including people experiencing poverty throughout the whole process of design, delivery and evaluation. Measures should be taken to increase financial/logistical support to ensure adequate stakeholder engagement – particularly for the more excluded groups.

One of the main roles of the Semester Officer in each Member State could be to promote national dialogue processes. Governments should be strongly encouraged to explain their decision-making as much as possible, including why certain priorities or policies were chosen over others. A specific requirement could be made to annex stakeholder views, as with the French NRP. Monitoring stakeholder engagement should also be part of the analysis of the Semester process with recommendations to the Annual Growth Survey.

The current references to stakeholder involvement have proved insufficient. Nevertheless, given well implemented guidelines, the European Semester still provides a potentially excellent vehicle for promoting and delivering real democratic participatory processes.

5. Ex-ante social and environmental/climate impact assessments of policy proposals supported by more detailed and up-to-date social and environmental indicators

A practical recommendation to improve the balance of decision-making between the economic on the one hand and the social and environmental/climate on the other is to promote the use of ex-ante social and environmental impact assessments of policy proposals. These assessments would incur some short-term costs, but with the benefit of avoiding many greater problems and challenges in the medium to long term.

These impact assessments would need to build on the improvement of the available social and environmental/climate data to enable the Semester to move away from the simplistic promotion of austerity and competitiveness policies that do not consider their wider social and environmental impact

The intention is not to use social indicators to try to impose sanctions beyond the scope of European competence, but to draw valuable political attention to emerging trends and realities to deliver better policy-making. Social and environmental realities must be taken into account when developing fiscal and structural measures so that the smart growth will eventually benefit all citizens.

There is thus an urgent need for stronger, more detailed and more up-to-date information and data, particularly on social indicators to match the quantity, quality and timeliness of the economic and employment data available. The EU Statistics on Income and Living Conditions (EU-SILC) provides useful evidence. However, currently, social indicators are typically two or three years behind the latest economic and financial indicators. Decision-makers should not be falling into the trap of only basing decisions on the easy-to-obtain data.

The Social Protection Performance Monitor²⁹ and the Scoreboard of Social Indicators in the Joint Employment Report (JER)³⁰ are positive developments in allowing for better and earlier identification of major employment and social problems. However, still much more is needed to develop the kind of detail and depth of information to accurately inform policy-making in a timely manner and on an equal footing with other data.

Key factors include the need for disaggregated data - for example by gender, age and ethnic minority - to highlight vulnerable groups that might otherwise be missed and to improve monitoring of high risk groups, such as homeless people. Breaking down social targets by these sub-group components would facilitate the task of measuring real progress towards both national and European targets.

29. <http://ec.europa.eu/social/BlobServlet?docId=9235&langId=en>

30. http://ec.europa.eu/europe2020/pdf/2014/jer2014_en.pdf

6. Improved links between the European Semester and European Funds, particularly the Structural and Investment Funds

There are many positive links to be made between the objectives of the European Semester and the potential of European Funds - especially the European Structural and Investment Funds – which have not yet been fully developed. More cohesion between these two areas could more usefully support integrated strategies delivering smart, sustainable, inclusive growth.

Priorities identified under the Structural Funds should logically form part of the analysis and recommendations of the Semester Process. On the other side of the coin, well-balanced and coherent CSRs can usefully inform some of the decision-making around disbursement of EU funds, including the development of a coherent social and environmental/climate investment package.

Clearer links should be made between the Semester and the Structural funds around implementing existing commitments to the Youth Guarantee and the Youth Employment Initiative, promoting integrated active inclusion strategies and promoting the energy efficiency of buildings, as well as in additional areas such as tackling homelessness, deinstitutionalisation, and the social inclusion of children.

The impact of the ex-ante conditionalities in the new funding round which link spending to the Europe 2020 priorities should be fully implemented and their impact assessed. This is particularly relevant for the 20% of ESF designated for social inclusion and poverty reduction and the ex-ante conditionality in the General Regulation³¹ to have in place an integrated anti-poverty strategy. Monitoring should involve civil society stakeholders.

EU Funds should also be used to support civil society stakeholders to engage in the CSRs and NRPs on an equal basis, based on the Code of Conduct on partnership principle (Jan 2014)³², including in the production of an independent annex of stakeholders views to the NRP. A comprehensive monitoring process should be put in place on the delivery of the conditionalities, including on the implementation of the partnership principle. Member States should be asked to report on their use of Structural Funds for achieving these objectives in their NRPs and NSRs.

31. <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:32013R1303>

32.

ANNEX ONE – REFERENCES AND FOR FURTHER INFORMATION

Please visit the following links for further information on:

EU Alliance for a democratic, social and sustainable European Semester (Semester Alliance)

- **Semester Alliance:** www.semesteralliance.net
- **Semester Alliance:** [Toolkit for Engaging in Europe 2020](#)
- **Semester Alliance report:** [2014 proposals for Country-specific Recommendations: progressing on a smart sustainable and inclusive EU.](#)

European Commission

- **The EU 2020 Agenda:** http://ec.europa.eu/europe2020/index_en.htm
- **EU2020 targets:** http://ec.europa.eu/europe2020/europe-2020-in-a-nutshell/targets/index_en.htm
- **The European Semester:** http://ec.europa.eu/europe2020/making-it-happen/index_en.htm
- **Annual Growth Survey 2014, European Commission, Nov 2013:** http://ec.europa.eu/europe2020/pdf/2014/ags2014_en.pdf
- **2014 National Reform Programmes and Country Specific Recommendations:** http://ec.europa.eu/europe2020/making-it-happen/country-specific-recommendations/index_en.htm
- **European Commission overview of CSRs per Member State:** http://ec.europa.eu/europe2020/pdf/csr2014/overview_recommendations_2014_by_member_state_en.pdf
- **Social Investment Package:** <http://ec.europa.eu/social/main.jsp?langId=en&catId=1044&newsId=1807&furtherNews=yes>
- **Roadmap to a Resource Efficient Europe:** http://ec.europa.eu/environment/resource_efficiency/about/roadmap/index_en.htm
- **Treaty on the Functioning of the European Union (Article 9):** <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:12012E/TXT>
- **Guidelines for the Employment Policies of the Member States, (Recital 16) European Council, Nov 2010:** <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32010D0707&from=EN>
- **Communication on Strengthening the Social Dimension of the Economic and Monetary Union, European Commission, October 2013:** http://ec.europa.eu/commission_2010-2014/president/news/archives/2013/10/pdf/20131002_1-emu_en.pdf
- **European Pact for Gender Equality:** http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/lisa/119628.pdf
- **Gender Equality in the EU (DG Justice):** http://ec.europa.eu/justice/gender-equality/index_en.htm
- **Green New Deal:** <http://greennewdeal.eu/>
- **Political Guidelines for the new European Commission, Jean-Claude Juncker, July 2014:** http://ec.europa.eu/about/juncker-commission/docs/pg_en.pdf

ANNEX TWO – SEMESTER ALLIANCE MEMBERS REPORTS – EUROPEAN SEMESTER 2014

Age Platform Europe, contact Maciej Kucharczyk, maciej.kucharczyk@age-platform.eu
See: <http://www.age-platform.eu/age-work/age-policy-work/european-semester/age-work>

Caritas Europa, contact Jorge Nuño Mayer jnunomayer@caritas.eu
See: [Europe 2020 Shadow Report 2013 Missing the Train for Inclusive Growth - Time is running out Country analysis on the situation in 23 MS and proposals for CSR 2014](#)
Europe 2020 Shadow Report 2014 to be published on 20th November 2014 – check [here](#)
See: Europe 2020 Shadow Report 2013: [Country analysis in ENG and nat. languages](#)

Housing Europe, contact Sorcha Edwards, sorcha.edwards@housingeurope.eu

Eurochild, contact Jana Hainsworth, secretarygeneral@eurochild.org:
See: [Eurochild proposals for CSRs 2014](#)

Eurodiaconia, contact Heather Roy, heather.roy@eurodiaconia.org:
[Eurodiaconia initial response to the March 2014 European Commission communication](#)
[Eurodiaconia's response to the Europe 2020 midterm review public consultation](#)

European Anti-Poverty Network (EAPN), contact Barbara Helfferich, barbara.helfferich@eapn.eu:
See: [EAPN's Assessment and Proposals for the CSRs 2014 'Getting Progress on Poverty and Participation'](#) and the [Annex with full fiches per country](#)
[EAPN's response to the Mid-Term Review; EAPN's 2014 NRP Assessment: From Austerity to Inclusive Growth – what progress?](#)
<http://www.eapn.eu/images/stories/docs/EAPN-position-papers-and-reports/Mid-Term-Review-Questionnaire-EAPN.pdf>

European Association of Service Providers for Persons with Disabilities (EASPD), contact Luk Zelderloo, luk.zelderloo@easpd.eu

European Environmental Bureau (EEB), contact Pieter de Pous, pieter.depous@eeb.org

European Federation of Food Banks (FEBA), contact Isabel Jonet, feba@eurofoodbank.org

European Federation of National Organisations working with the Homeless (FEANTSA), contact Freek Spinnewijn, freek.spinnewijn@feantsa.org

European Public Service Union (EPSU), contact Penny Clarke, pclarke@epsu.org and Richard Pond, rpond@epsu.org.
See: "Country specific recommendations on public service issues": www.epsu.org/a/10807.
Anti-austerity/fiscal consolidation and the Semester: www.epsu.org/a/10808

European Trade Union Confederation (ETUC), contact Sarah King, sking@etuc.org

European Women's Lobby (EWL), contact Mary Collins, collins@womenlobby.org

Green Budget Europe, contact Constanze Adolf, Constanze.Adolf@green-budget.eu
See: [GBE, EEB and CEE Bankwatch 2014 CSR proposals](#)
GBE [Background Paper](#) on using Europe 2020 and the European Semester at the national level to encourage Environmental Fiscal Reform.

Platform for International Cooperation on Undocumented Migrants (PICUM), contact Michèle Levoy, michele.levoy@picum.org

Social Platform, contact Pierre Baussand, pierre.baussand@socialplatform.org

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See the Alliance's publications and activities on <http://semesteralliance.net>

The *EU Alliance for a democratic, social and sustainable European Semester (EU Semester Alliance)* is a broad coalition bringing together major European civil-society organisations and trade unions, representing thousands of member organisations on the ground at European, national and local levels in the European Union.

The 'EU Semester Alliance' aims to support progress towards a more democratic, social and sustainable Europe 2020 Strategy, through strengthening civil dialogue engagement in the European Semester at national and EU levels.

Enabling civil-society to participate in the shaping of EU policies and to contribute to progress on the Targets of the Europe 2020 Strategy concerns us all!



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For more information: <http://ec.europa.eu/social/main.jsp?catId=327&langId=en>

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