

**The EU ALLIANCE for a  
DEMOCRATIC, SOCIAL AND SUSTAINABLE  
EUROPEAN SEMESTER presents**

**TOOLKIT FOR ENGAGING WITH  
EUROPE 2020 AND  
THE EUROPEAN SEMESTER  
2014-2015**



**EUROPEAN ALLIANCE FOR A  
DEMOCRATIC  
SOCIAL EUROPEAN SEMESTER  
SUSTAINABLE**

# TOOLKIT FOR ENGAGING WITH EUROPE 2020 AND THE EUROPEAN SEMESTER

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## 1. Introduction

In 2010, the **Europe 2020 Strategy** broke new ground, by establishing five concrete targets for delivering on smart, social, and sustainable growth (see more information below). This process is implemented annually through a cycle called the **European Semester**, which is the main instrument for coordination between the policies of Member States for achieving common objectives.

There is a strong case to be made for **the need to urgently and actively engage with these processes**, to ensure that people and planet are put before profit, and that we are moving towards a social and sustainable Europe. Here are the main reasons why:

1. The Strategy and the implementation cycle are crucial, as they provide a **development framework for the European Union and its Member States**, setting out a vision for the future of Europe and for a sustainable exit from the crisis.
2. **Europe 2020 objectives are direct drivers for EU funding opportunities**, most significantly Structural Funds, hence it brings clear benefits to national organisations who engage.
3. **Economic objectives are prioritized in the European Semester, to the detriment of social, equality, including gender equality, and environmental ones**, and are also accompanied by binding agreements and sanctions, which the latter objectives do not feature.
4. **Progress on the social and environmental objectives of Europe 2020 has been very limited**, as even more people are now in poverty, the employment rate has declined, and what has been achieved on reducing early school-leaving and greenhouse emissions is largely insufficient. Moreover equality, including gender equality concerns, are not properly mainstreamed and taken into account in the process.
5. **Stakeholders, including civil society, are supposed to be key partners in the delivery at national and EU level**. However, their involvement remains so far very marginal, with

limited engagement and minimal impact on the policy proposals, and few new opportunities for engagement and structural dialogue put forward by the European Commission, or by national Governments.

The added value of getting involved with Europe 2020 and the European Semester process is clear: as the dominant EU strategy, encompassing economic, social and environmental policies and enforced by Member States and the EU, it provides an opportunity to directly engage in EU policy development and delivery. The challenge is to press for better and more effective governance and engagement processes. The economy must work for the benefit of all, and not the other way around. Moreover, the upcoming **Mid-Term Review of the Europe 2020 Strategy** (explained in detail below) provides a significant window of opportunity to lobby for a better strategy and better processes.

The **European Alliance for a Democratic, Social and Sustainable European Semester** 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. 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 challenges back to the priority agenda. 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 the EU decision-making process known as the European Semester.

The work of the European Alliance is coordinated by the [European Anti-Poverty Network](#), and the coalition is composed of the following organisations: [AGE-Platform Europe](#); [CARITAS Europa](#); [European Environmental Bureau](#); [CECODHAS – 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 Organizations working with the Homeless – FEANTSA](#); [European Federation of Food banks](#); [Green Budget Europe](#); [PICUM](#). It 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**, led by EAPN national networks, to engage and try to have increased impact on policies. Contact information can be found in Annex 2.

This **Toolkit** is aimed at the national members of the European organisations which constitute the Semester Alliance, and is designed to support them in engaging with Europe 2020 and the European Semester, including the upcoming Mid-Term Review. It will provide you with brief, to-the-point information about the processes and the opportunities for engagement, by clarifying the key elements, timeline, and strategic actors of the new process, as well as giving links and suggesting different ways of involvement.

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## 2. What are Europe 2020, the European Semester, and the Mid-Term Review?

[Europe 2020](#) is a 10-year strategy, proposed by the European Commission on 3 March 2010, aimed at "smart, sustainable, inclusive growth."

It takes over from the Lisbon Strategy (which covered the period 2000–2010). It contains the priorities of the EU for the next ten years to develop a more competitive, resource efficient and greener economy based on knowledge and innovation and to foster a high-employment economy delivering social and territorial cohesion.

The Strategy identifies [five headline targets](#):

1. To raise the employment rate of the population aged 20–64 (women and men) from the current 69% to at least 75%.
2. To achieve the target of investing 3% of GDP in R&D, in particular by improving the conditions for R&D investment by the private sector, and developing a new indicator to track innovation.
3. 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.
4. To reduce the share of early school leavers to 10% from the current 15% and increase the share of the population aged 30–34 having completed tertiary education from 31% to at least 40%.
5. To reduce the number of Europeans living below national poverty lines by lifting at least 20 million people out of poverty and social exclusion.

However, as the European Commission recognizes, progress has been extremely limited:

- 8 million more people are now in poverty (124,3 million), a shortfall of 28 million (in 2012). Very limited progress has been made on involving stakeholders, particularly civil society and with low impact.
- The employment rate has declined to 68.4% leaving a shortfall of nearly 7%.
- Early school leaving has reduced to 12.7% in 2012 leaving a shortfall of 2.7%.
- There has been an 18% reduction in greenhouse emissions by 2012, but national projections show 13 Member States will not achieve their national targets by 2020.

For the Semester Alliance members, delivery on the Europe 2020 targets and the development of a rights-based approach including progress on gender equality through real dialogue with civil society, is crucial. Only in this way can we ensure a sustainable recovery, a viable vision for the future of the EU, and restore democratic legitimacy and credibility.

**Gender equality** is not an explicit objective of the Europe 2020 Strategy, despite the fact that the objectives to achieve gender equality and gender mainstream all policies are legal obligations enshrined in the Lisbon Treaty.

This is problematic, as the issue of gender equality could be side-tracked in the overall Strategy. The only target which originally explicitly made reference to women and men is to attain the 75% employment rate. However, in recent times, the reference to “women and men” has been replaced by the “working age population,” hence making women and gender equality even more invisible in the overall strategy. Men’s employment rate is close to the 75% target, whereas women’s is a mere 63%. This shows that, without an explicit gender equality overarching objective, it is impossible to track and monitor the impact of the Strategy on gender equality and, subsequently, the measures that need to be put in place to mitigate the impact of policies on gender inequality.

Several commitments have been made on the need to strengthen the gender equality dimension in the Europe 2020 Strategy, but these will remain lip service if no firm action is taken. These include: the Europe 2020 Employment Guidelines, the [European Pact for Gender Equality 2011-2020](#), and the European Commission’s [Strategy for Equality between women and men 2010-2015](#) (for more information, see section 4: Key messages and policy hooks). The stakes are high, as the economic and financial crisis and subsequent austerity measures are hitting women hard. The impact of the recession on women is likely to become more acute over time, as the effects of labour market shifts are increasingly felt within households, and cuts in public expenditure affect public services and the many women who work in them and use them. Austerity measures are having a significant and damaging impact on specific groups of women, who face multiple disadvantages: young and the elderly, migrants and ethnic minorities, the low-skilled, those with short-term contracts, single mothers, women in rural areas, those aged over 45, women with disabilities and women returning to work after childbirth. Budget cuts are disproportionately affecting women through job losses and reductions in public services. There is evidence of rising precarious working conditions; increasing discrimination in the labour market with a subsequent shift to informal work, rising levels of poverty, reduced access to services, and rising levels of domestic violence, accompanied by cuts in vital support services.<sup>1</sup>

Europe 2020 is supported by [seven EU Flagship Initiatives](#), aimed at catalyzing progress under each theme.

Each of the Flagship Initiatives identifies a set of specific proposals and instruments that should be implemented within ten years to help achieve the Europe 2020 objectives. These seven Initiatives are:

- **Innovation Union:** to improve framework conditions and access to finance for research and innovation so as to strengthen the innovation chain and boost levels of investment throughout the Union.

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<sup>1</sup> See joint EWL publication *The price of austerity, the impact on women’s rights and gender equality in Europe*, 2012. See also EWL video-clip on the impact of austerity on women in Europe: <https://www.youtube.com/watch?v=eulp9VdKzFk>

- **Youth on the move:** to enhance the performance of education systems and to reinforce the international attractiveness of Europe's higher education.
- **A digital agenda for Europe:** to speed up the roll-out of high-speed internet and reap the benefits of a digital single market for households and firms.
- **Resource efficient Europe:** to help decouple economic growth from the use of resources, by de-carbonizing the economy, increasing the use of renewable sources, modernizing the transport sector and promoting energy efficiency.
- **An industrial policy for the globalization era:** to improve the business environment, especially for SMEs, and to support the development of a strong and sustainable industrial base able to compete globally.
- **An agenda for new skills and jobs:** to modernize labour markets by facilitating labour mobility and the development of skills throughout the lifecycle with a view to increasing labour participation and better matching of labour supply and demand.
- **European platform against poverty:** to ensure social and territorial cohesion such that the benefits of growth and jobs are widely shared and people experiencing poverty and social exclusion are enabled to live in dignity and take an active part in society.

Monitoring progress and ensuring the active involvement of Member States are key elements of the Strategy. This is done through the [European Semester](#), an annual cycle of macro-economic, budgetary and structural policy coordination, across three (supposedly reinforcing) pillars: *thematic coordination* (in areas like employment, social inclusion, education, under Europe 2020), *macroeconomic surveillance*, and *fiscal surveillance* under the Stability and Growth Pact.

However, it is clear that the dominant pillars are the second and third ones. The implementation of the Europe 2020 Strategy and these 3 pillars is done at national level through 2 parallel yearly reports, presented to the Commission together in April. The first pillar is implemented through the National Reform Programmes (NRPs), based on the so-called [Integrated Guidelines](#), that aim to assist Member States in translating the Europe 2020 headline targets into national policies. Secondly, the [Stability or Convergence Programmes](#) (SCPs) monitor pillars 2 and 3: the macroeconomic and fiscal surveillance.

The **European Semester** yearly cycle includes the following main steps and elements:

WHEN?	EUROPE 2020 (thematic surveillance)	STABILITY AND GROWTH PACT & MACROECONOMIC IMBALANCES PROCEDURE (macroeconomic & fiscal surveillance)
November		<b>Annual Growth Survey (EC)</b>
		<b>Alert Mechanism Report (EC)</b>
April	<b>National Reform Programmes (MS)</b>	<b>Stability / Convergence Reports (MS)</b>
June/July		<b>Country Specific Recommendations (EC)</b>
October		<b>Eurozone budget appraisal (EC)</b>

### **1. *The Annual Growth Survey (AGS)***

This is a yearly document, prepared by the European Commission and released in November, launches the yearly European Semester by setting out the broad EU economic priorities for the year to come and for Europe 2020, and invites Member States to take these into account when devising their National Reform Programmes (see below). The AGS for the last 2 years has included the same five main priorities:

1. Pursuing differentiated, growth-friendly fiscal consolidation
2. Restoring lending to the economy
3. Promoting growth and competitiveness for today and tomorrow
4. Tackling unemployment and the social consequences of the crisis
5. Modernising public administration.

The Annual Growth Survey priorities are debated by the Council of Ministers and their formations before the European Council in March, and set the priorities for the national economic and budgetary decisions. The draft [Joint Employment Report](#), attached to the AGS, assesses the social and employment situation in the EU. The progress on the poverty reduction target is followed only through the Joint Employment Report, and the focus is overwhelmingly on employment. There is currently no Annual Progress Report on achieving the targets of Europe 2020 – a good practice which has been abandoned in the past two years.

### **2. *The Macro-economic Imbalances Procedure (MIP)***

This is a parallel surveillance mechanism, operating alongside the Stability and Growth Pact and focused very strongly on promoting competitiveness. It also has a preventative and corrective arm. An early warning system has been established, based on a Scoreboard consisting of a set of indicators covering the major sources of macroeconomic imbalances (these include GDP, external debt, trade imbalances, but also labour productivity and unit costs). The Scoreboard is published in the **Alert Mechanism Report** in November, which marks the starting point of the annual cycle of the MIP, and is one of the key triggers for the Country-Specific Recommendations (see below). In-depth reviews are then carried out between the Commission and the countries concerned. Last year, the Commission integrated some social indicators in this Alert Mechanism (long-term unemployment, NEETS (people not in education, employment and training), people at risk of poverty and social exclusion), but it still remains to be seen what the impact will be.

### **3. *National Reform Programmes (NRPs)***

These are yearly reports prepared by the Member States, describing the implementation of the five overarching EU targets to be reached by 2020, translated into national targets, and taking into account the priorities set by the Annual Growth Survey. Increasingly, the main requirement for these reports is to show how the Commission's Country-Specific Recommendations (CSRs) are being delivered, and to respond to the Commission's assessment of the implementation of the CSRs (presented as an Annex of the Annual Growth Survey). For the so-called "Troika Countries," Governments were not required to submit an NRP so far, but to continue to fulfil the requirements of their respective Memoranda of Understanding, send only an update letter to the European Commission, outlining progress

on the five overarching targets of Europe 2020. Measures described in the NRPs should be correlated to the national targets, and should be concrete, reflect urgency and detail budgetary consequences. Each year's NRP should build on the previous one, and give emphasis to implementation of the CSRs. The structure of the NRP is set out in a [Guidance Note](#), circulated to Member States by the European Commission, as the basis for their preparation and the bilateral discussions.

#### **4. *Stability / Convergence Programmes***

**Stability Programmes** are submitted by Euro area Member States, while **Convergence Programmes** are submitted by non-Euro zone – at the same time as the NRPs. Their main aim is to enable the Commission to assess whether Member States are keeping to the budget rules set by the EU. This is the so-called “preventative” arm, setting medium-term objectives and requiring long-term sustainability of public finances. In the current context, this has primarily been focused on reducing public deficits and debt through fiscal consolidation or austerity measures. The so-called “corrective” arm is the Excessive Deficit Procedure (EDP), which allows the Commission to enforce corrections of deficits over 3% of GDP, or public debt over 60% of GDP. Non-compliance can lead to the imposition of sanctions in the Eurozone, or the possible suspension of the Cohesion Fund (ie Structural Funds) for all countries, until the deficit is corrected. The obligatory nature of the surveillance mechanisms and threats of sanctions and loss of EU funds have raised some strong concerns about democratic control of budgets by national governments.

#### **5. *Country Specific Recommendations (CSRs)***

These are the recommendations made by the Commission for each country within the European Semester, based on a review of each Member State's economic and social performance in the previous year, and how far they are delivering on the EU-wide priorities set out in the Annual Growth Survey. They are drafted after a thorough assessment of progress since the previous year's CSRs, and a detailed analysis of the National Reform Programmes and Stability or Convergence Programmes. The recommendations are concrete, targeted and measurable, and concentrate on what can realistically be achieved in the next 12-18 months. As countries face different challenges, the recommendations tailor the Annual Growth Survey priorities to the situation in each Member State. In 2013, the AGS was also accompanied by a [Staff Working Document](#), assessing the implementation of previous Country-Specific Recommendations.

The CSRs are debated in the Council formations before being discussed and endorsed by Heads of State or Government at the European Council in June. The final adoption of the CSRs in July concludes the European Semester. Implementation of the CSRs is monitored closely and on an ongoing basis by the European Commission, who keeps the Council informed of its findings throughout the year. In November 2013, an assessment of the CSRs implementation was attached to the AGS report, and it provides a wealth of information on the CSRs, as well as their justification. The NRP Guidance Note prioritises the monitoring of the implementation of CSRs in the Reports, and includes an [Annex](#) specifically designed to facilitate this analysis.

In the absence of an overarching gender equality objective, it is not surprising that the CSRs lack a gender equality perspective. The use of gender neutral terms such as “second earners”,

“low income earners”, “low wage earners”, “poverty rate”, “vulnerable groups” etc are hiding gender inequalities that lie behind these terms and affect women disproportionately. When gender issues are addressed in the CSRs, they tend to focus on issues that are seen to be a ‘women’s problem,’ such as increasing care services to facilitate women’s participation in the labour market, hence failing to be the driver of a societal change, where women and men are equal earners and equal carers.

## **6. Budgetary review for the Eurozone**

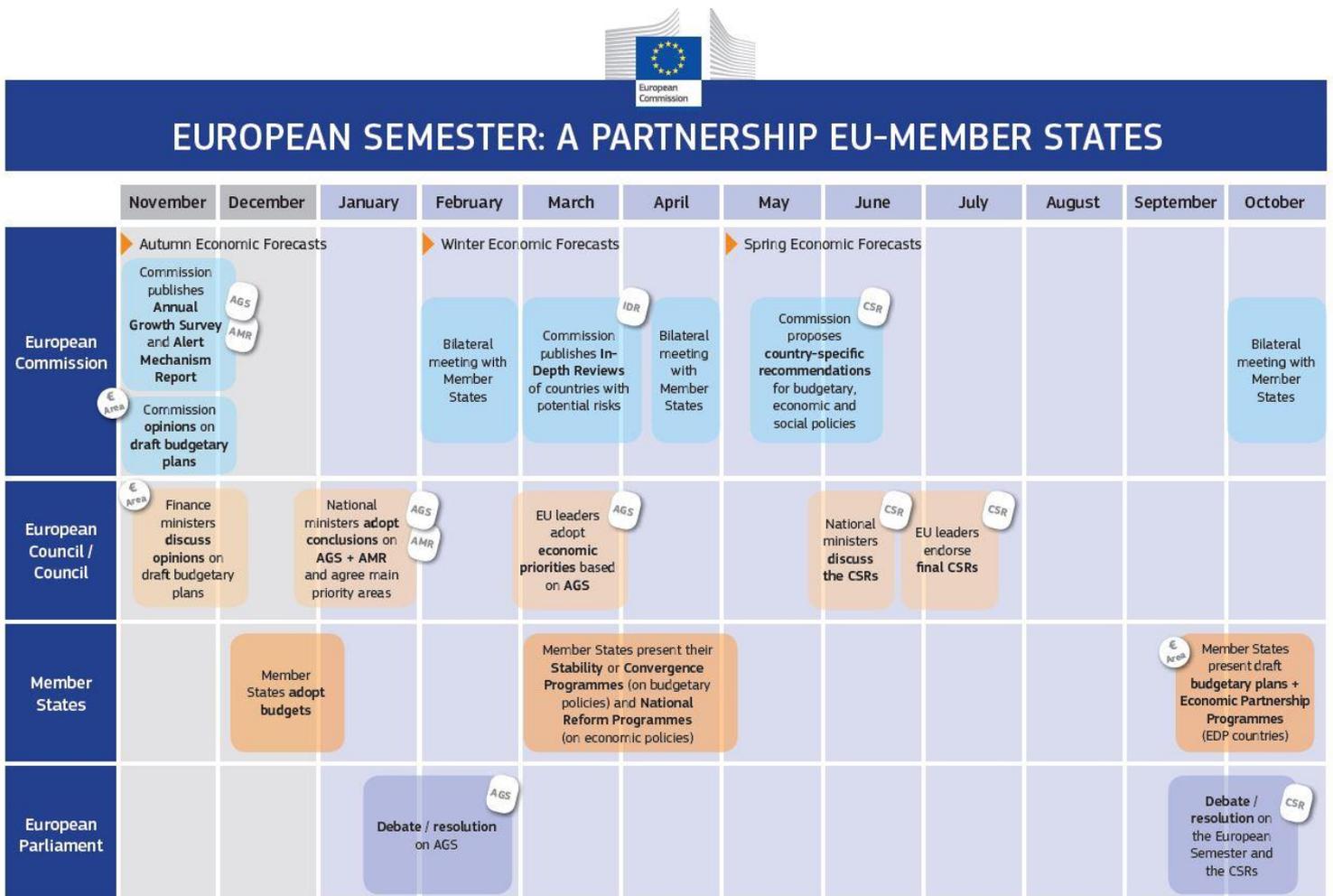
A new element from 2013 is the requirement within the Euro area for Member States to present their national budgets for surveillance October 15, to see how far they have implemented the CSRs, specifically in the macroeconomic field. The so-called “Two-Pack”, which entered into force on May 30 2013, reinforces the architecture of multilateral economic coordination/fiscal surveillance, by requiring this common timeline and budget rules for the euro area Member States. In the case of non-compliance with the obligations under the Stability and Growth Pact, the Commission can require budget revisions from national governments. As this budget coordination falls in the 2<sup>nd</sup> half of the year (July to December), it provides the main basis for the messages in the Annual Growth Survey and in the Country-Specific Recommendations.

The key stages in the European Semester are as follows:

- In **November**, the Commission issues its Annual Growth Survey (AGS), which reviews delivery and sets out EU priorities for the coming year to boost growth and job creation; it also issues the Alert Mechanisms Report, on macroeconomic imbalances.
- In **November/December**, different Council formations (General Affairs, Competitiveness, Environment, Justice, Employment and Social Affairs, Economic and Financial Affairs) discuss and present their input to the AGS.
- In **November/December**, the Commission issues initial guidance for the preparation of the National Reform Programmes.
- In **December/January**, the European Council and the European Parliament discuss the Annual Growth Survey.
- In **February**, the Commission holds bilateral meetings with the Member States, to discuss actions taken and planned to implement the Country-Specific Recommendations, and in preparation for the NRPs and Stability and Convergence Programmes.
- In **February/March** different Council formations (General Affairs, Competitiveness, Environment, Justice, Employment and Social Affairs, Economic and Financial Affairs) discuss and present their input on priority issues identified.
- In **March**, EU Heads of State and Government (i.e. the European Council) issue EU guidance for national policies on the basis of the Annual Growth Survey.
- In **April**, the Commission holds bilateral meetings with the Member States, to discuss the state of play and outstanding country-specific issues.

- On **15 April**, Member States submit their Stability and Convergence Programmes, as well as their NRPs which detail how targets will be reached, what national policies will be implemented, and how the EU guidance has been taken into account.
- In **May**, the Economic and Financial Affairs Council conducts in-depth reviews, based on the Macroeconomic Imbalances Procedure.
- In **May**, the Commission assesses these NRPs and the Stability and Convergence Programmes.
- In **June**, the Commission provides Country-Specific Recommendations (CSRs), as appropriate, to each Member State. Several Council formations (Employment and Social Affairs, Economic and Financial Affairs, General Affairs) discuss and endorse the recommendations.
- In **June**, the European Council endorses the CSRs.
- In **July**, the Economic and Financial Affairs Council formally adopts the CSRs.
- In **October**, Governments of the Eurozone present the budget draft to the European Commission.
- In **October/November**, the Commission holds bilateral meetings with the Member States, to discuss actions taken and planned to implement the Country-Specific Recommendations.

### The European Semester at a glance:



The **Mid-Term Review** is a process to be carried out in 2015, five years after the adoption of the Europe 2020 Strategy, and five years before its completion.

It will look at the current state of play of progress on the targets, as well as at the functioning of the Strategy and its coordination process, the European Semester. It is a great opportunity to make our voice heard on what is working and what is not, and what should be changed, and how. The European Commission put forward, in early 2014, a [stock-taking communication](#), assessing the status quo and laying the grounds for a [public consultation](#), which was launched in May 2014. Contributions in the framework of this consultation are welcome until 31 October 2014 by means of filling-in a questionnaire, available at the consultation link above. These can be accompanied by a position paper, if so desired. All contributions will be published on the website of the European Commission.

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## 3. General tips for engagement

### ***Identify who is responsible for the European Semester in your country***

Based on previous years' experience, and according to our members' input, it is often the Economy or Finance Ministry, or Prime Minister's Office who drafts the NRPs, with more or less (depending on the country) input from other Ministries, such as Employment and Social Affairs, Environment, Justice etc. In order to be sure, the easiest way is to get in touch with the Government representatives you normally work with, or the Social Protection Committee member, or the European Semester Officer in your country. The latter are officers in the Commission representation offices in each Member State, who have a specific role to provide information and feedback on the implementation of the Semester. See Annex 2 – *Who to Contact*.

### ***Ask to be invited to participate in the stakeholder engagement***

Write or e-mail the relevant contacts and ask what process will be developed to involve stakeholders in the Europe 2020 processes. You should ask what form this engagement will take and whether you will be able to comment on a draft NRP, or can send a separate contribution, and what other means of involvement available. You should insist on your Government's responsibility to ensure a meaningful, timely, and structured process of consultation and involvement. There are useful references supporting stakeholder involvement in European documents. The overall aim is not to be only involved in one-off consultations, but to build strong structured dialogue platforms, where stakeholders regularly meet with Government representatives to discuss progress on Europe 2020, provide concrete input, and propose new actions, as well as be partners in implementation.

*In January 2014, an important Peer Review was organised by the Belgian Platform Against Poverty. It provides useful presentations and assessments of the Belgian Platform, which has been highlighted as a promising practice of promoting stakeholder engagement, including people experiencing poverty, in the European Semester and Europe 2020 processes. EAPN, as well its Belgian member network (BAPN), were involved with the Peer Review, and you can find all background papers [here](#).*

### ***Prepare briefings and build a common position***

If you are going to be able to make a submission or contribution, it is important to stimulate debate within your organisation and with other partners (see Alliance section below), analysing your national context and developing a common position together. This means preparing briefing notes on the content and the processes (including using this Toolkit in full or in part), and making sure that all involved understand what are the useful hooks and the opportunities for engagement, but also what are the key messages you are trying to jointly put forward. Organizing capacity building sessions can be very useful. You should start by analysing the current situation in your country (social, economic, environmental, equality), looking at key trends and the impact of policy decisions, and building consensus on the main policy changes you think are necessary. This brings added value to any response you might want to make, and engages all partners coherently in the work. You might want to consider

including the direct participation of those affected by the policies, such as women, people experiencing poverty, young people, older people, and other stakeholders.

*EAPN France has contributed to the Opinion of the National Council for the Fight against Poverty and Social Exclusion, which was attached in its entirety to the National Reform Programme. For more information contact [Jeanne Dietrich](#).*

### ***Making your input: Developing key messages***

Starting from the analysis and common position developed above, clarify the key weaknesses of policy proposals, including National Reform Programmes or other, against your list of what you consider key requirements. In preparing your position, look at your country's previous year's National Reform Programme and Country Specific Recommendations, but also at the Stability and Convergence Programmes, to see how far these have influenced the NRPs and the CSRs. In the social field, it's also worth while looking at the [National Social Report](#), which is meant to provide the basis/additional information on the social reporting. This may help you devise your key messages – although, in the end, each national context will be different. You can also look at the Commission's assessment of the implementation of Country Specific Recommendations, attached to the Annual Growth Survey (see [here](#)), as well as the analysis and shadow recommendations put forward by the Semester Alliance (see [here](#)). Given the short timeframe, you might not be provided with a document you can comment on, but only have the opportunity to provide written or oral input, without seeing a draft text. Be prepared to send your key messages that you want to put forward, based on your analysis of the main trends. Sometimes a few crucial points make more of an impact than a long list of demands. If you are sent a draft, you will often have a very short time to respond. Having prepared your key messages before will help you to be able to provide input within the tight deadlines.

*CARITAS Europa has developed, together with their members, an alternative Shadow Report regarding National Reform Programmes since 2007. For the latest 2013 version (the 2014 version is in process) 23 national Caritas organisations produced a country summary, following the format of the NRP, and made contributions on recent trends, policy developments and challenges to meet the targets in 2 core areas: employment and poverty reduction, with recommendations. See report [here](#).*

*The European Women's Lobby has produced alternative recommendations in a publication called '[Ticking Clocks](#)' which outlines the issues for gender equality overall and specific recommendations for some Member States. Given that persistent gender gaps relating to pay, pensions and poverty, the EWL calls for CSRs that will address these structural gender inequalities that persist in all Member States.*

### ***Review your country's Country Specific Recommendations***

It is clear that the CSRs are increasingly important, impacting on national policy priorities and subsequent budgetary and public spending priorities and decisions. Look at the CSRs issued for your country by the European Commission, highlight gaps and potentially dangerous policies, as well as positive elements. Prepare comments on the implementation of the CSRs, develop alternative ones, and send your proposals to your Government, as part of your input

to the Semester. Send them also to the Commission (ie Desk and Policy Officers) and to the independent experts working with the Commission, eg on social protection and social inclusion, and the new European Semester Officers. Find all relevant information in the *Who to Contact* section below. **Please do send the Alliance a copy of anything you contribute – in whatever language.**

*The European Anti-Poverty Network has been monitoring and assessing the Country-Specific Recommendations since 2012 with its members. In yearly reports, EAPN National Networks and European Organisations highlight positive and negative elements in the CSRs prepared by the Commission, make pertinent comments about their implementation on the ground, and propose alternative CSRs, in line with national realities and what is needed in order to fight poverty and social exclusion, and to reach the poverty target. You can consult the full reports here – [2012](#), [2013](#), [2014](#), or contact [Sian Jones](#), EAPN Policy Coordinator. An ad-hoc group called the CSR Alliance also made joint proposals from a wider range of organisations (trade unions, NGOs, environmental and rights organisations in 2012 and 2013). See [here](#).*

### **Build alliances**

Recent years' experience of stakeholder involvement showed that there is still a lot to be desired in most countries. In the current negative context, it is also difficult to make progress if we don't speak with a common voice. It is important to try to build and work together in strong alliances, bringing together organisations that share common values and concerns – for example trade unions and other NGOs (social, environmental and equality, including women's organisations), academics, politicians, the media – and creating joint platforms.. This is the basis of the EU Semester Alliance. A key resource and ally are, for instance, the Independent Experts on Social Protection and Social Inclusion, who will be responsible for revising the NRPs and National Social Reports for the Commission each year, and may be involved in contributing proposals to the Country-Specific Recommendations. It is important to try to establish a more on-going dialogue with them. If possible, try to get your National Parliaments engaged, as there was little parliamentary involvement in previous years, and involve your MEPs. Developing joint messages between such a wide range of organizations may prove initially difficult, but the effort is a worthwhile price to pay for stronger mobilisation and impact. One way is to allow each sector to develop their own proposals, then come together to discuss and agree any compromises that are necessary, where the goals or proposals may seem to contradict or undermine each other.

*EAPN Belgium set up a Europe 2002 Working Group, which meets monthly to discuss updates from the European level and how to influence Belgian policy. The group includes representatives from the regional networks and grass root associations, among which some 20 people experiencing poverty. There is also a Belgian Platform Against Poverty Europe 2020, organised by the Public Administration of Social Integration, which meets +/- 5 times a year, and constitutes an official platform for dialogue and follow up of Belgian anti-poverty policies, particularly in the framework of Europe 2020. Several NGOs take part in these meetings, including a strong delegation (+/-12 members) of EAPN Belgium (BAPN). For more information, contact [Elke Vandermeersch](#).*

*On 6 June 2014, the Semester Alliance held a one day Capacity Building workshop for 35 Alliance members in Brussels. The workshop had three aims: 1) to strengthen their knowledge of Europe 2020 and the European Semester, and increase the effectiveness of engagement; 2) to increase their capacity to build effective alliances cross-sectorally, particularly at the national level; 3) to increase involvement in and ownership of the Semester Alliance. The workshop was highly interactive, involving presentations and discussions, with input from the European Commission as well as practical workshops, exchanging learning on national engagement and featuring practical group exercises of cross-sectoral working. For more details, see [here](#).*

### ***Disseminate your messages and promote public debate***

Given the current weakness of the stakeholder engagement process, it's important not to keep your messages internal to your dialogue with the Government. Think how best you can disseminate your messages to key actors and how to get your messages out to the public. This can mean sending letters, thinking of more attractive ways of presenting your messages and circulating them through different channels and groups. Working in alliances (see above) will be crucial to this. If possible, it is always useful to involve media (including social media) to convey your messages more widely to the general public, and raise awareness on the process and concerns.

*EAPN Denmark started engaging as early as 2006, through awareness-raising projects on the National Action Plans for Social Inclusion, and conferences on poverty in Denmark. It developed a network of interested parties, and The European Year against Poverty and Social Exclusion in 2010 allowed for broadening the alliances and intensify the activities. Currently, EAPN DK represents the civil society in the Government's advisory board for the Europe 2020 Strategy, which includes 30 representatives. This board receives a draft of the NRP, as well as the CSRs as soon as they arrive, and has the chance to discuss them in detail, with more time (2 months) for input. Criticism is taken on board. It took 5 years to build this relationship, but it was worth it. For more information, contact [Per K. Larsen](#).*

### ***Don't forget the Mid-Term Review***

As mentioned above, 2014 offers the additional opportunity of contributing not just to the yearly Europe 2020 and European Semester processes, but also to the Mid-Term Review of the Strategy itself, a one-time occurrence in the life of the ten-year process. Alliances should be working together to develop joint positions and submissions to the Mid-Term Review consultation, thus sending a common message of the need for a shift towards a more social and sustainable Strategy, based on meaningful stakeholder engagement. While common messages and demands are essential, it is also important that each organisation contributes them to the consultation separately, to make it clear that, although the messages are the same, there are multiple voices behind them.

<b>Timeline</b>	<b>European Semester Activities</b>	<b>What you can do</b>	<b>Check</b> ✓
<b>October – November</b>	Bilateral meetings between the Commission and the Member States	Write to your Government to let them know that you are working on the CSRs and that you wish to make a contribution, to be consulted and to be part of the process that will lead to the European Semester the following year. Ask for a timeframe and for consultation. If you've already been engaged, make concrete proposals for the AGS.	
<b>November</b>	Annual Growth Survey and Alert Mechanisms Report come out	Analyse what the proposals mean to your specific area of expertise/representation, in collaboration with your European representative organisation, and see whether your country is at risk of macroeconomic or excessive deficit procedures.	
<b>December – January</b>	Council and Parliament discuss the AGS	Contact your Government and / or Council of Minister representatives, or the European Semester Officer to find out more information about the process, the timing of the NRP preparation, and who the main contact points are. Try to obtain the Guidance Note for the National Reform Programme from your Government. Contact your Members of Parliament and seek meetings with them.	
<b>February</b>	Bilateral meetings between the Commission and the Member States	Working together on Country Specific Recommendations: analysis, how far they have been implemented, positive and negative impact, new ones prepared.	
<b>March</b>	- European Spring Council - European Commission launches stock-taking communication on the Mid-Term Review (2014)	Disseminate your own input/reactions to your Government, the SPC representative, the Independent Experts, the media, and other stakeholders.	
<b>April</b>	Bilateral meetings between the Commission and the Member States	Continue to press for a stakeholder process on the NRP, and for engagement with your Government, including sending any responses to drafts; use media, social media, and other channels to put forward your proposals.	
<b>15 April</b>	Governments submit National Reform Programmes and Stability and Convergence reports	Write to your Government once you have ascertained whether your proposals are included (or not) and in what form, asking for more engagement once the Commission assesses the NRP.	
<b>May</b>	- The Economic and Financial Affairs Council conducts in-depth reviews,	Get hold of your NRP and review them together with your partners, checking them against your inputs; issue a Press Release, and	

	<p>based on the Macroeconomic Imbalances Procedure</p> <ul style="list-style-type: none"> <li>- The European Commission assesses the NRPs and the SCP reports</li> <li>- The European Commission launches the public consultation on the Mid-Term Review (2014)</li> </ul>	<p>send your comments to the Government, your European Organisation, the EU Alliance, and European Commission.</p>	
<b>June</b>	<p>The European Commission puts forward Country-Specific Recommendations</p>	<p>Check CSRs against your own proposals. Write to your Government and Commission in response to the (draft) CSRs, calling for corrective measures before the CSRs are finally endorsed in July. Give your views to your European Organisation and the EU Alliance.</p>	
<b>July</b>	<p>The Economic and Financial Affairs Council formally adopts the CSRs</p>	<p>Disseminate the synthesis report from your European Organisation and the European Alliance and your own input/reactions to your Government, the SPC representative, the Independent Expert, the media, and other stakeholders.</p>	
<b>October</b>	<ul style="list-style-type: none"> <li>- 15 October Eurozone Governments present draft budgets to the European Commission</li> <li>- 31 October – deadline for the consultation on the Mid-Term Review of the Europe 2020 Strategy (2014)</li> </ul>	<p>Analyse the budgets submitted by your Government, check against how spending/cuts will impact on your specific issues/concerns. Make your response to the Mid-Term Review consultation. Review your engagement and consider next steps – including more pro-active inputs. Organise and/or get involved in national advocacy events.</p>	
<b>November</b>	<p>Annual Growth Survey and Alert Mechanisms Report is published, with Annexes</p>	<p>Review the implementation of the CSRs in your country and send to Government and to the Commission your assessment, and concrete proposals for new or adapted CSRs, together with your European Organisation and the European Alliance.</p>	
<b>December</b>		<p>Keep track of all input into the process since the beginning, and document what steps were taken and how these were addressed. Draw lessons for the next cycle and establish an action plan.</p>	

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## 4. Key messages and policy hooks

These messages are drawn from the joint publication of the EU Semester Alliance presented at a hearing in the EESC on 7 April 2014. The policy hooks highlight useful policy references in EU documents, by area.

### MACROECONOMIC POLICY

#### **Messages**

#### **1. Prioritize macroeconomic policies that support social, equality and environmental goals**

Most CSRs focus mainly on short-term fiscal consolidation goals rather than a long-term view of investment. They miss taking on board economic, environmental and social benefits and costs, and reviewing their impact on equality, including gender equality. The social and equality impact of the fiscal consolidation measures proposed have been particularly severe, contributing to rising poverty and social exclusion and increasing the equality gap, including gender equality. This approach undermines the coherence of Europe 2020 and the European Semester process as well as its effectiveness in ensuring progress towards the targets.

⇒ Implement an ex-ante social/gender/equality and environmental impact assessment of macroeconomic CSRs and promote a comprehensive, balanced strategy that ensures that economic objectives are consistent with the delivery on the social, gender, equality and environmental targets.

#### **2. Investment in inclusive and sustainable growth**

Whilst investment is recognized as crucial to growth, little emphasis is given to key EU objectives that focus on social investment,<sup>2</sup> or sustainable development as set out in the Commission's proposals. Increased social and environmental/climate mitigation investment is vital for sustainable recovery, particularly where multiple gains on the different objectives can be made.

⇒ Invest in affordable housing, energy-saving/insulation priorities and social/health infrastructure (particularly early childhood education and care centres/health and social services) to ensure positive results on multiple Europe 2020 objectives: providing new jobs, investing in people, tackling climate change, and reducing poverty.

#### **3. Inclusive and sustainable tax policy**

An increasing emphasis is given in the CSRs to growth-friendly tax policy. Whilst progress is being made on tax evasion and tax avoidance, more could be done on shifting taxation from labour to environmental risk and to tackle major subsidies which threaten climate change and energy efficiency, ie support to fossil fuels. A more comprehensive approach to reviewing the joint social, gender, equality and environmental impact and to promoting tax justice including progressive taxation, as a key redistribution tool is needed.

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<sup>2</sup> EC (2013) Social Investment Package.

- ⇒ Ensure that tax policy contributes actively to long-term social and environmental objectives.
- ⇒ Embed ex-ante impact assessments to guard against unfair re-distribution of the burden onto the poor, promoting a tax justice model for financing social, equality and environmental objectives.

## ***Policy Hooks***

### **Annual Growth Survey**

Although the AGS 2014 primarily sends a message of business as usual, with no giving in to 'reform fatigue' (ie, deficit reduction), there is more focus on improving competitiveness and 'securing a lasting recovery.' There is therefore some recognition of the need to rebalance priorities: *"Fairness considerations and clarity about the goals to be achieved will be essential to secure the lasting success, efficiency and public acceptability of efforts at National and European level."* The first priority is to pursue differentiated-growth-friendly fiscal consolidation, with some recognition of the need to rebalance between expenditure cuts and revenue, but with an emphasis on tax cuts and reducing social security payments. It does call for long term investment in education, research, innovation, energy and climate change, and the 'needs of the most vulnerable in society should be catered for.'. The focus on growth-friendly tax is primarily aimed at shifting the tax burden away from labour on to consumption, property and combating pollution. The former is seen as likely to be regressive with VAT affecting disproportionately the poor, whilst property and pollution taxes seem positive. Tax evasion and avoidance, and renewed investment in tax compliance is an important priority. The 5<sup>th</sup> priority is promoting growth and competitiveness for today and tomorrow, underlining the need to find new sources of growth and competitiveness. However, this is aimed at high technology, with priority to reducing labour costs and completing the liberalization of the services market, with concerns about potentially negative impacts on social rights.

### **Communication: Taking Stock of the Europe 2020 Strategy for smart, sustainable and inclusive growth**

This review of delivery on Europe 2020 highlights decline in deficits (6.5% in 2010 expected to decrease to 2.7% in 2015), but still rapidly increasing sovereign debt (80% in 2010 expected to rise to 89.5% in 2015). It recognizes the impact of the crisis, and says that a return to the growth model of the previous decade would be both illusory and harmful – real estate bubbles; widening social inequalities; multiple pressures on the use of resources and the environment; sharp increase in unemployment; weaknesses in education and training systems. These contributed to the collapse of parts of our economies when the full crisis hit." Another positive reference is on P9, which recognizes that "the crisis has brought to the fore the issue of ...the fairness of the produced and distributed wealth through growth. While GDP and wealth have continued to increase overall, inequality has risen in Europe... since the 1980s (on average the top 20% earn 5.1 times the bottom 20% in 2012.). The issue of distributional fairness, in turn increases the difficulty of addressing the challenges faced by Europe's economies.

# POVERTY AND SOCIAL EXCLUSION

## **Messages**

### **1. Increase the ambition of targets and a strategic approach**

- ⇒ Member States should set ambitious national targets, draw on all 3 indicators, broken down by key factors (gender, age, ethnicity).
- ⇒ Each Member State should develop a comprehensive diagnosis of causes/trends as basis for integrated anti-poverty strategy.
- ⇒ Develop sub-targets and thematic strategies for key priorities/groups: tackling homelessness, investing in children, Roma inclusion and across themes.

### **2. Ensure affordable access to quality services – particularly housing, addressing homelessness, health and long-term care**

- ⇒ Require measures to increase affordable access to housing: social housing, rent-regulation, tax reform, as well as diversification and re-balancing of housing tenures.
- ⇒ Increase investment in affordable quality health and long-term care, as well as ensuring equal access including promoting action to counter discrimination, eg Roma/undocumented migrants.

### **3. Strengthen social investment and universal social protection systems**

- ⇒ Give priority to investment in integrated social protection across the life cycle, guaranteeing adequate minimum income, unemployment benefits and pensions with EU-wide benchmarks.
- ⇒ Ensure that proposals to reduce social security contributions must not negatively impact on sustainable financing of social protection.

### **4. Invest in children and youth, combined with integrated strategies for all at-risk groups**

- ⇒ Encourage implementation of integrated strategies to invest in children (and their families), in line with the Commission's Recommendation.
- ⇒ Implement the Youth Guarantee through quality integrated programmes and promote Youth Inclusion, beyond employment.
- ⇒ Ensure that an integrated approach to social inclusion and poverty reduction across the life-cycle is promoted for all key target groups.

## **Policy Hooks**

### **Annual Growth Survey**

This year's document retains the same Priority 4 – *Tackle Unemployment and the Social Consequences of the Crisis* – as in the previous two years. While the document recognises that poverty and unemployment are still growing, the emphasis is placed on active labour market policies, and particularly the Youth Guarantee. Child poverty is highlighted, as well as Active Inclusion, but the latter is mentioned from the narrow perspective of one-stop shops, thus linking activation with welfare provision and improving efficiency, rather than quality of

delivery, with limited references to progress on adequate minimum income or defence of quality social protection systems.

### **Joint Employment Report**

The document makes no concrete recommendations, but recognises that unemployment has reached unprecedented levels, while segmentation of the labour market means insecure employment particularly for young people, and pay gaps particularly for women. Job creation and quality jobs are missing dimensions, as well as tackling in-work poverty. The approach to poverty continues to be seen primarily as “employment-only.” Active Inclusion is not mentioned as such, but some recognition is given to declining household incomes, especially due to fiscal consolidation efforts over the past years. There is a strong focus on health, and less on other services and minimum income.

### **Social Investment Package (SIP)**

The Communication *Towards Social Investment for Growth and Cohesion*, and the rest of the Social Investment Package, released in February 2013, is DG Employment’s main key social inclusion input to Europe 2020. Its main message is that social policy should be seen as a social investment, using budgets more efficiently to get employment, economic and social returns, strengthening people’s capacity to enter the labour market and society, through a life cycle approach. However, the good intentions are undermined by predominant messages about efficiency and the need to refocus social budgets towards more activating and enabling budgets and away from ‘passive social protection,’ pressing for more targeting, temporary payments and conditionality. The Package also includes important initiatives from the European Platform against Poverty, including the Commission’s Child Poverty Recommendation, Active Inclusion Implementation Report, Tackling Homelessness and Housing Exclusion and others. It features some important positive recommendations, but the lack of coherence with the Social OMC, EPAP and overall key messages cause great concern, particularly in its impact on Europe 2020, the European Semester and the CSRs.

### **Social Dimension of the EMU**

The Communication from the European Commission was adopted in October 2013, and it is aimed at reducing growing divergences (social imbalances) between Member States, as regards poverty, inequality and unemployment in order to improve macroeconomic stability. It rests on three main pillars: 1. Reinforced surveillance of employment and social challenges and policy coordination; 2. Enhanced solidarity and action on employment and labour mobility; 3. Strengthened social dialogue. The main proposal is to introduce new social and employment indicators into the Macroeconomic Imbalances Procedure (MIP), and to develop a key Employment and Social Indicators Scoreboard, drawing on existing social and employment indicators, to strengthen coordination of social policies, such as unemployment, NEETs (people not in education, employment and training), disposable income, at risk of poverty and inequalities (the latter being a new and welcome improvement). Social dialogue will also be strengthened, including through the European Semester and Europe 2020, particularly on the CSRs, but there is no mention of civil society (for instance, the social partners’ views on the AGS were made public on the European Commission’s website). Implementation and impact are not clear, especially in light of the lack of “triggers” for action

and proposals for ex-ante conditionality. The Scoreboard was introduced for the first time into the Joint Employment Report, but with no proposals. The Council will make further proposals on the use and implementation this year, but it is likely that the Scoreboard will not become operational before 2015.

### **Communication: Taking Stock of the Europe 2020 Strategy, for smart, sustainable and inclusive growth**

The document recognizes rising levels of unemployment and poverty as a result of the crisis, but mainly focuses on rising unemployment, particularly for people over 55 and for youth. It highlights the failure to progress on the target, acknowledging that poverty and social exclusion increased from 114 million in 2009 to 124 million in 2012. It highlights that poverty may remain close to 100 million by 2020, with the main problems being rises in material deprivation and jobless households. It positively underlines that ‘the crisis has demonstrated the need for effective social protection systems.’

### **EPSCO Council – March 2014**

The Employment and Social Ministers discussed the stocktaking document and underlined that “economic downturn has put a strain on our common strategy and on Europe's social tissue. The social impact of the crisis, with massive unemployment and high levels of poverty, undermines the foundations of social cohesion and affects public confidence in the European project.” The ministers went on to highlight the lack of progress on the targets, particularly poverty targets, and stressed the value of the targets as ‘vectors of political mobilisation,’ but called for the need to improve the governance of the strategy and to ensure coordination between financial, economic and social priorities.

### **Spring Council 2014**

There is nothing in the Council Conclusions about poverty and social exclusion, except the mentioning that the crisis has slowed down progress on the Europe 2020 targets, and that the Council calls for stepping up efforts to achieve these.

# EMPLOYMENT

## **Messages**

### **1. Create sustainable, quality employment across the life cycle**

- ⇒ Invest in quality green and social jobs.
- ⇒ Concrete measures to reduce in-work poverty and gender pay gap: increasing minimum wages, supporting living wages and work-life balance, defending employment protection and social rights.

### **2. Personalized, integrated Active Inclusion, not activation alone**

- ⇒ Explicit promotion of integrated Active Inclusion (income support, inclusive labour market and access to quality services), based on personalized, integrated support.
- ⇒ Access to affordable childcare/ECEC to support women into work.
- ⇒ Support to active ageing to enable older people to move/stay in jobs with age-friendly labour markets.

## **Policy Hooks**

### **Annual Growth Survey (AGS)**

“A special focus has been put on policies to reduce the unacceptably high levels of unemployment of young people. [...] Particular attention should also be paid to maintaining or reinforcing the coverage and effectiveness of employment services and active labour market policies, such as training for the unemployed and Youth Guarantee schemes.” “The immediate priority should be given to ambitious implementation and follow up of reforms regarding the functioning of the labour market so that participation can be increased. 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 and making sure that social safety nets fully play their role. In a context of an ageing labour force, longer and more fulfilling working lives require adequate skills and lifelong learning, enabling working environments, and also addressing the impact of gender pay and activity gaps on women's pension entitlements. Access to affordable care services will help the participation of women in the labour market. [...] The greening of the economy, the digital sector and health care services are areas that will generate significant job opportunities in the years to come.”

### **Joint Employment Report (JER)**

The Joint Employment Report forms an Annex of the AGS and reviews national policies meant to reach the employment, education, and poverty-reduction targets of Europe 2020, as presented in the National Reform Programmes. It does not contain any specific recommendations or policy analysis as such, but is more an overview of policy responses and initiatives in the Member States. It highlights a number of issues, such as rising unemployment (particularly for youth and women), as well as long-term unemployment, the job creation potential of the ICT and green sectors, segmentation of the labour market and employment protection legislation, specific labour market policies for specific groups, wage developments.

The document includes statistics and graphs to illustrate the situation both at EU level, as well as in particular Member States.

### **Spring Council 2014**

The European Council put particular emphasis on policies enhancing competitiveness, supporting job creation and fighting unemployment, particularly youth unemployment, and on the follow-up to reforms to improve the functioning of labour markets. Nothing more is said about how this should be achieved, or what this means in practice.

## EDUCATION AND TRAINING

### ***Messages***

1. Support comprehensive education and lifelong learning systems.
2. Increase Social Investment in early childhood and specialist support for ESL.
3. Ensure that vocational training responds to the labour market and the needs of each individual.

### ***Policy Hooks***

There are two Europe 2020 targets to be achieved on education: early school leaving and higher education as follows:

- Reducing school drop-out rates to below 10%;
- at least 40% of 30-34-year-olds completing third level education.

### ***Annual Growth Survey***

The AGS puts emphasis on the Youth Guarantee and continued education of young people post school leaving. The Commission again prioritized longer term investment in education along with research, innovation, energy and climate change action. The AGS states that “action is needed to improve education and skill performance and notes that the EU is behind in delivering on the 2020 targets in relation to education.” However, this is all set against the backdrop of the workforce and skills required to enter into the workforce. The AGS goes on to promote and prioritize the pursuit of the modernization of education and training systems including through life-long learning and facilitation of the transition from school to work through traineeships and apprenticeships. Little is mentioned about early school leaving or any efforts to combat it and the emphasis lies very much on finalizing the Member State Youth Guarantee Implementation Plans and related funding programmes as soon as possible. The AGS also highlights that education and training are high on the EU agenda as almost all countries received education related CSRs in 2013.

### ***Joint Employment Report***

The Report states that “Early school leaving levels are gradually going down [...] Europe is making good progress towards the target of achieving a tertiary equivalent attainment rate of at least 40% by 2020.” In relation to quality of education the Report states that over time average education levels and thereby the ‘quality’ of skill supply has increased. It goes on to state that trends for participation in lifelong learning are on a negative slope in several Member States, both for men and women. Again educational dysfunction is addressed mainly as a weakness in the skill base of the European workforce and is seen as a barrier towards economic recovery and tackling unemployment. Investment in education is prioritized in this context but the Report notes that 20 Member States have actually reduced the relative share of their GDP that they invest in education. The JER also includes some of the steps that Member States have taken to follow the employment guidelines including in relation to

improving the quality of education and training systems at all levels including early childhood, primary, secondary and tertiary education.

### **Social Investment Package**

The SIP includes a Recommendation on investing in Children<sup>3</sup>. The Recommendation promotes a three pillar rights-based approach to breaking the cycle of disadvantage which focuses on covering access to adequate resources, access to affordable quality services and children's right to participate. The second pillar which relates to access to adequate and affordable services highlights the role that education plays in battling social exclusion and poverty, especially the need to invest in early childhood care and education. An important point is made regarding the need for services to be available to all children, independently of the parents' labour market situation which represents a break from the approach taken in some of the above documents where education is viewed more in terms of employability rather than a tool to combat social exclusion. The Recommendation also stresses the need to improve education systems to create equal opportunities and to promote social inclusion. This is linked to the early school leaving target and a series of measures are recommended, with particular emphasis on targeting resources and opportunities towards the most disadvantaged (Roma children, children from migrant backgrounds, students with low basic skills). A strong focus is also put on preventive measures, as well as enhanced cooperation of schools with, and support to, parents.

### **Communication: Taking Stock of the Europe 2020 Strategy for smart, sustainable and inclusive growth**

The Communication notes that despite the crisis there have been positive trend shifts in relation to education levels and makes the diagnosis that the education targets are "broadly achievable" by the deadline. The percentage of early school leavers has dropped from 15.7% in 2005 to 12.7% in 2012, with half of Member States having already reached or approaching their targets. The Communication notes that at least part of this reduction may be attributable to difficult employment environments but it states that there is also evidence of structural improvements and the trend is expected to continue but at a reduced pace. In relation to the increase in persons completing third level education, the share of young people has increased from 27.9% in 2005 to 35.7% in 2012. The Communication states that this change is considered to be "structural" and the 40% target is expected to be met. A salient point is made regarding the omission of qualitative assessment within the targets and points out that an assessment of the quality of education and skills acquired will still need to be carried out.

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<sup>3</sup> Commission Recommendation on Investing in Children: Breaking the cycle of disadvantage, February 2012, 2013/112/EU, available at: <http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32013H0112>

## GENDER EQUALITY AND EQUALITY FOR ALL

### **Messages**

There is no target on Gender equality, neither is it sufficiently mainstreamed in the Europe 2020 strategy. While the monitoring of all targets is subject to gender mainstreaming, three main areas of priority action are highlighted:

1. Reduce the **gender pay gap** in all Member States, and put in place a long-term national strategy to eliminate wage discrimination and address gender segregation in education and work.
2. Close the **gender pensions' gap**, including promotion of work-life balance and shared parenting models to encourage the equal participation of both women and men ensuring that reforms of social security systems/tax systems address gender equality and provide individualized rights.
3. Ensure provision of compensation mechanism in pension schemes, in the form of **care credits for both women and men**, for time spent caring for children, parents and other dependents e.g. carers' leave.
4. Address specific measures to counter multiple discrimination of migrant women, e.g. introducing a gender perspective in migration policy, reinforcing access to employment and social protection rights, enabling migrant women to have their own independent status.

### **Policy Hooks**

The [Europe 2020 Employment Guidelines](#) (2010), which state that “**a visible gender equality perspective integrated into all relevant policy areas is crucial for the implementation of all aspects of the Guidelines in the Member States.**” In particular, **Guideline 7** refers to “increased labour-market participation of women and men” and highlights issues relating to childcare provision, equal pay, work-life balance and developing employment within the care sector. In terms of poverty/social exclusion, **Guideline 10** requests that all measures to tackle poverty should aim at promoting gender equality and focus on one-parent families.

The [European Pact for Gender Equality 2011-2020 \(adopted in 2011\)](#) makes specific reference to all the institutions involved in the European semester, calling on them to take the gender equality perspective into account in the implementation of the Europe 2020 Strategy and in particular on the Commission and the Council to incorporate a gender equality perspective into the Annual Growth Survey, the Country Opinions and the Country Specific Recommendations.

The European Commission [Strategy for Equality between women and men 2010-2015](#), requires the Commission to “support the promotion of gender equality in the implementation of all aspects and flagship initiatives of the Europe 2020 Strategy, especially as regards definition and implementation of relevant national measures.”

## **Annual Growth Survey**

The AGS makes scant reference to women and/or gender equality but indicates the need to address the impact of gender pay and activity gaps on women's pension entitlements as well as access to affordable care services to help the participation of women in the labour market. But, there is no mention of the pay gap in the recommendation relating to (reforms) wage developments.

## **Joint Employment Report**

The report points to the improvement of activity rates for women, particularly for older women (55-64) but recognizes the 'considerable' gap in women's overall employment rates, in comparison to men's. It also underlines the wide-spread levels of part-time work of women, which when measured in 'full time equivalent' actually shows a far lower full time employment rate for women. The report also points out that overall, women's higher persistent risk of poverty and exclusion than men is due to care-related activities and part-time work, and that older women (+ 65) in particular are more affected by poverty than older men. A section of the report focuses on reconciliation of work and family life and in an annex, a table shows that this is considered a challenge in most Member States. The report calls for more efforts to tackle other main drivers of the gender pension gap, including career interruptions and low work intensity. The rate of young women not in education, employment and training (NEET) training is higher than that of young men.

## **Social Investment Package**

A section of the SIP addresses the gender dimension and stresses that cumulated disadvantages over the life course results in higher poverty rates among women and lower employment rates leading to an estimated total average of a 40% gap in women's earning below men's earnings. Therefore, gender (in)equality must be tackled in a more coherent way. The SIP calls on Member States to close the gender pay gap and other barriers to women's (and other underrepresented workers) representation on the labour market.

## **Communication: Taking Stock of the Europe 2020 Strategy, for smart, sustainable and inclusive growth**

The Communication notes that some Member States have set broken down national targets on gender by setting employment targets for women (pg 16).

## ENVIRONMENTAL AND CLIMATE ISSUES

### **Messages**

Climate change is the greatest market failure the world has ever seen. Environmental Fiscal Reform (EFR) can correct climate-related market failures by pricing greenhouse gas emissions and internalizing the cost of climate change – and in so-doing, realize the eminently fair ‘polluter pays’ principle.

If nothing is done, the European Commission estimates the cost at 50 billion Euros per year. If a sense of urgency to implement the policies needed for the transition does not come into being, the achievement of the objective will cost considerably more time and money. Furthermore, the attractive opportunity for job creation that we see today in the “green sector” would be missed.

EFR seems to be a particularly promising tool in view of the fact that several EU Member States which suffered most in the economic and financial crisis are among the countries where recognition of the economic benefits of climate action and energy efficiency is highest (Eurobarometer 2014). At the same time, the overall proportion of revenues from environmental taxes as a share of GDP across the EU are on average between 2-3 per cent (Eurostat 2013), clearly revealing the potential for increased environmental taxation at national level.

The European Semester should:

1. Promote macroeconomic policies that support EFR in order to ensure that economic objectives deliver on environmental, climate and social targets.
2. Shift the tax burden from labour to other tax bases, for example environmentally harmful activities, ensuring an ex-ante social and gender impact assessment on all proposals of sustainable and inclusive tax/subsidy and investment reform.
3. Reduce tax exemptions and environmentally harmful subsidies on fossil fuels.
4. Invest in decentralized energy production, renewable fuels and increased energy efficiency in housing and other buildings.
5. Include climate and environmental indicators in the macroeconomic surveillance part.
6. Assess the implementation of EFR as part of the CSRs within the Cohesion Policy.
7. European Commissioners could form an informal working group on a “social, sustainable and democratic European Semester” to share and discuss cross-cutting win-wins in an informal way beyond everyday politics, inviting key stakeholders to share their views.
8. The European Parliament should make extended use of the Economic Dialogue to stress the positive implications of EFR.

## **Policy Hooks**

### **Annual Growth Survey**

Within the five priorities which will guide the next cycle of action at EU and Member State level, carbon and energy pricing measures play an important role which represents a promising entry point for EFR implementation:

Pursuing differentiated, growth-friendly fiscal consolidation:

- “Taxes should be designed to be more growth-friendly, for instance by shifting the tax burden away from labour on to tax bases linked to consumption, property, and **combatting pollution.**” (EC/2013/800, p.7). Environmentally harmful subsidies should be reduced (EC/2013/800, p.7)

Promoting growth and competitiveness for today and tomorrow:

- “Full implementation of the third energy package in 2014, and improving the cost effectiveness of support schemes for renewable energy. Promoting resource efficiency by improving waste and water management, recycling and energy efficiency.” (EC/2013/800, p.7)

### **Resource-efficient Europe flagship initiative**

The Resource-efficient Europe flagship initiative within the Europe 2020 strategy shall be delivered by the “Roadmap to a Resource Efficient Europe” (COM, 2011, 571). This non-binding catalogue aims at catalyzing progress and calls for a major shift from taxation of labour towards environmental taxation and thus for a substantial increase in the share of environmental taxes in public revenues. The Roadmap also includes a call for a phasing-out of Environmentally Harmful Subsidies or strategies, and tools indicating targets and strategies.

## **PARTICIPATION AND GOVERNANCE**

### ***Messages***

Despite an increased focus on stakeholder engagement in the Annual Growth Survey, the lack of meaningful engagement by stakeholders and most national parliaments and the European Parliament in the European Semester is a common concern, especially at national and EU levels. If civil and social dialogue is to be improved, significant steps need to be taken to actively support more meaningful engagement at the national level. For this to happen, a stronger framework of guidance, reporting and monitoring is needed at the EU level:

1. Develop EU Guidelines, together with Member States, to ensure debate in national parliaments and meaningful structured dialogue with all relevant stakeholders, including social partners, civil society and people experiencing poverty and exclusion, at all stages of the European Semester process.
2. Encourage increased financial and logistical support for stakeholder engagement in the development and implementation of the National Reform Programmes as well as structured dialogue on the CSRs.
3. Consider requiring that Civil society stakeholders contributions be annexed to the NRP report (as for example in France), or further developed as a shadow report, as well as mainstreamed into the main report.
4. The quality of stakeholder engagement should be actively monitored by the European Commission through the bilateral exchanges and the NRPs, with specific sections in the Commission's progress/implementation report and recommendations to the Annual Growth Survey.
5. Enhance the role of the European Parliament and also the Committee of the Regions and the European Economic and Social Committee in the European Semester.

### ***Policy Hooks***

#### **Europe 2020 Communication**

The original Europe 2020 Strategy Communication of the European Commission underlined the importance of a partnership approach. The European Commission calls on all parties and stakeholders (e.g. national/regional parliaments, regional and/or local authorities, social partners and civil society, and last but not least the citizens of Europe) to help implement the strategy, working in partnership, by taking action in areas within their responsibility. The official website of the European Commission of the Europe 2020 Strategy has a section dedicated to the role and involvement of civil society, acknowledging it as an important element for the drafting, implementation and assessment of the NRPs.

#### **Integrated Guidelines**

In the Integrated Guidelines underpinning the Europe 2020 Strategy (Recital 16) specific support is given to the partnership principle involving stakeholders at all stages of the NRPs.

## **Annual Growth Survey**

The AGS 2011 specifically mentioned stakeholder engagement in its Annex 1 – Progress Report on Europe 2020. The same document recalls the common structure that all NRPs should have, including information on the involvement and contributions of the different stakeholders. Unfortunately, there are no mentions of stakeholder engagement in the AGS 2012, neither in any of its Annexes (such as the Progress Report on Europe 2020 or the draft Joint Employment Report). In the AGSs 2013 and 2014, an ambiguous reference can be found not about engagement, but rather “creating a sense of ownership.”

The Guidance Note on the content and format of National Reform Programmes typically contains the strong recommendation to Member States to consult stakeholders, as well as to report on how this was done in the NRP itself.

## **Social Investment Package**

Useful references to stakeholder engagement are to be found in the Communication Investing in Children, the Staff Working Document on Active Inclusion, and the Staff Working Document on Confronting Homelessness.

## **Social Dimension of the Economic and Monetary Union**

While social dialogue is extremely prominent in the Communication, civil dialogue, stakeholder involvement and exchanges with civil society are not mentioned at all in the text.

## **Annual Convention of the European Platform against Poverty and Social Exclusion -**

### **José Manuel Durão Barroso, President of the European Commission**

*“The conventions of the European Platform against Poverty and Social Exclusion offer something extremely valuable: the opportunity to gather all interested parties and discuss ways of working together. Especially important is the fact that here we have represented many people who are working on the issue of poverty really on the ground that can give us all the experience, the inputs of their daily experience. I believe we need that, at the European Union institutions and also at the governmental level.”*

## **Communication: Taking Stock of the Europe 2020 Strategy, for smart, sustainable and inclusive growth**

The document recognizes the key challenge to raise awareness and ownership by all relevant actors – governments, parliament, regional and local authorities, social partners and all stakeholders - as a crucial prerequisite for success. It recognizes that involvement of stakeholders could be improved. It also underlines the new role of the European Economic and Social Committee, Committee of the Regions and the Commission representations (European Semester officers) in increasing the quality of the engagement.

***All useful quotes from the documents mentioned above, regarding stakeholder engagement, can be found in extenso in the online annex dedicated to this (Annex 5).***

## 5. Annexes

*The following Annexes are exclusively available online, and can be accessed by clicking on the hyperlinks below, or by visiting [semesteralliance.net](http://semesteralliance.net) or [www.eapn.eu](http://www.eapn.eu) (> EAPN News):*

1. [The European Semester in a nutshell](#) (PowerPoint presentation)
2. [Who to contact](#)
3. [Template letter](#)
4. [Glossary of terms and acronyms](#)
5. [List of useful stakeholder engagement quotes – from EU documents](#)

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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>

The information contained in this publication does not necessarily reflect the position of the European Commission.