



# Looking ahead

Local public social services  
priorities for the European  
Semester 2016

Investing  
in people





Strengthening  
partnerships

# Looking ahead

Local public social services  
priorities for the European  
Semester 2016

Involving local  
public social  
services

## About the European Social Network (ESN)

The European Social Network (ESN) is the independent network for local public social services in Europe. It brings together people who plan, finance, research, manage, regulate and deliver local public social services, including health, social welfare, employment, education and housing. We support the development of effective social policy and social care practice through the exchange of knowledge and experience.

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## About this report

This report has been written by Alfonso Lara Montero, Policy Director, and Marianne Doyen, Policy Officer, from the ESN Secretariat, with key inputs from Sebastiano Sabato, Researcher, and Bart Vanhercke, Director at the European Social Observatory (OSE). The content is based on the answers to various questionnaires provided by the members of ESN's Reference Group on the European Semester. 23 members from 22 EU countries analysed their National Reform Programmes, the European Commission's country reports and Country-specific Recommendations for 2015, with the view to identify social policy priorities for 2016's European Semester process.

The Reference Group was launched in September 2014. It aims to give visibility to social issues and the challenges faced by public social services at local level within the framework of the European Semester – the cycle of economic and social policy coordination between the EU and its Member States.

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# Abbreviations

## Countries

BE	Belgium
BG	Bulgaria
CZ	Czech Republic
DK	Denmark
DE	Germany
EE	Estonia
ES	Spain
IE	Ireland
FI	Finland
FR	France
HU	Hungary
IT	Italy
LV	Latvia
LT	Lithuania
NL	The Netherlands
PL	Poland
PT	Portugal
RO	Romania
SE	Sweden
SI	Slovenia
SK	Slovakia
UK	United Kingdom

## Others

EU	European Union
EC	European Commission
CSR	Country-specific Recommendation(s)
NRP	National Reform Programme

# 1. Public social services and the European Semester

## 1.1. ESN's Reference Group on the European Semester

Definitions for the highlighted terms can be found in the glossary on page 47.

As part of its four year strategy 2014-2017, the European Social Network (ESN) launched a Reference Group (hereafter “the Group”) to give visibility to social issues and the challenges faced by social services in the framework of the **European Semester**, the cycle of economic and social policy coordination that takes place between the EU and its Member States.

Public social services at local level have a major responsibility in implementing policies aiming at social inclusion of all groups, especially the most vulnerable. As outlined by the agenda for “Jobs, Growth, Fairness and Democratic Change<sup>1</sup>”, social services are key in helping to modernise social protection systems and supporting the development of adequate social protection schemes in their communities and throughout Europe.

ESN's Reference Group on the European Semester explores how social services issues, for instance, on children, disability, mental health and ageing and care, are addressed at national and European levels, and develops specific recommendations to feed into the European Semester.

### Methodology

ESN drafted a questionnaire that evaluated 7 major topics for public social services. Representatives from 22 countries on behalf of organisations working on planning, managing and implementing social services<sup>2</sup> were then invited to comment on how these topics had been evaluated in 3 key documents in the framework of the European Semester: the governments' **National Reform Programmes** (NRPs), the European Commission's **country reports** and **Country-specific Recommendations** (CSRs).

The questionnaire consisted of two sections.

**Section one** aimed to analyse the adequacy of the European Semester in addressing key social issues and local public social services' involvement. As explained above, we identified **7 key themes** and requested the members of the Group to assess how comprehensively these had been covered in the European Commission's country reports and CSRs, and in their governments' NRPs.

#### The 7 themes are:

1. Governance: impact of the economic crisis and reforms on social services provision
2. Children's services and childcare; child poverty and social inclusion
3. Young People, early school leaving and youth (un)employment
4. Older People: long-term care and service provision
5. People with disabilities and people with mental health problems: employment; development of community care services
6. Employment of the low-skilled and the long-term unemployed
7. Other vulnerable groups: migrants, Roma and other minorities, homeless people.

**Section two** consisted of a list of questions on whether the country reports, the NRPs and the CSRs had been able to capture the role of social services in helping the most vulnerable and the challenges public social services face (e.g. regarding budgeting, contracting and delivery).

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<sup>1</sup> A New Start for Europe: My Agenda for Jobs, Growth, Fairness and Democratic Change, Political Guidelines for the next European Commission, by Jean-Claude Juncker, 15 July 2014. Source: [http://ec.europa.eu/priorities/docs/pg\\_en.pdf](http://ec.europa.eu/priorities/docs/pg_en.pdf)

<sup>2</sup> For a complete list of members, see Acknowledgements, p.5.

Having completed the questionnaire, the Group members gathered to discuss the challenges identified in a meeting that took place in September 2015<sup>3</sup>. Prior to this meeting, on the basis of the responses to the questionnaires, a cross-comparative analysis that served as the basis for discussions had been circulated to all participants.

Finally, the Group members were asked to provide one recommendation they would like the European Commission to make to their country in the framework of the 2016 European Semester process. Recommendations are followed by a short explanation of the rationale behind them. One-page country profiles are available in section four of the report.

## 1.2. The European Semester since 2011

Introduced in 2011, the European Semester is a yearly cycle of economic policy coordination between Member States aimed at achieving the Europe 2020 targets<sup>4</sup>. The European Semester relies on three pillars:

1. **The Europe 2020 Strategy**, which is the EU's growth strategy containing 5 objectives to be reached by 2020, 3 of which relate to social inclusion. These are: reaching a 75% employment rate, reducing early-school leaving below 10%, and reducing in 20 million the number of people in or at risk of poverty and social exclusion by 2020.
2. **The reformed Stability and Growth Pact**, which aims at coordination of fiscal policies.
3. **The Macroeconomic Imbalances procedure**<sup>5</sup>, which aims at coordination of macro-economic policy.

### The first four cycles: 2011-2014

The European Semester starts in November each year, when the European Commission publishes the **Annual Growth Survey** (AGS) and the **Alert Mechanism Report** (AMR). The AMR identifies at an early stage countries experiencing macro-economic imbalances and thus needing an **in-depth review** (IDR). In the AGS, the European Commission pinpoints the main economic challenges facing the EU and recommends priority measures for the coming year. Priorities identified in the AGS remained rather stable over the period 2012-2014. They concerned:

1. Pursuing differentiated growth-friendly fiscal consolidation
2. Restoring normal 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.

Member States should include the priorities and measures set out in the AGS when submitting their **Stability or Convergence Programmes** (SCP) on budgetary policies, and their **National Reform Programmes** (NRPs) on structural reforms. These two documents are submitted simultaneously by Member States at the end of April (mid-April in the case of Member States in the Eurozone), in order to ensure complementarities between fiscal and other structural policies. NRPs are at the heart of the

<sup>3</sup> Download ESN's report from last year *Connecting Europe to local communities*. <http://www.esn-eu.org/news/527/index.html>

<sup>4</sup> See 'The EU's economic governance explained', European Commission – fact sheet, November 2014. [http://europa.eu/rapid/press-release\\_MEMO-14-2180\\_en.htm](http://europa.eu/rapid/press-release_MEMO-14-2180_en.htm)

<sup>5</sup> The Macroeconomic Imbalances Procedure aims to identify, prevent and correct economic imbalances (such as excessive deficits) in the European Union. See more at [http://ec.europa.eu/economy\\_finance/economic\\_governance/macroeconomic\\_imbalance\\_procedure/index\\_en.htm](http://ec.europa.eu/economy_finance/economic_governance/macroeconomic_imbalance_procedure/index_en.htm).

thematic coordination under the Europe 2020 strategy, insofar as they represent the national translation of European guidelines and policies.

In May each year, the European Commission assesses both the SCPs and the NRPs and proposes **Country-specific Recommendations (CSRs)** to each Member State<sup>6</sup>. In June, CSRs are discussed and voted by the Council<sup>7</sup>. Finally, in July, the European Council<sup>8</sup> endorses the CSRs, thus formally closing the European Semester cycle. Then, the implementation phase starts in Member States.

## The European Semester in 2015

In 2015, a number of substantive and procedural changes were introduced under the first European Semester process in the Juncker Commission<sup>9</sup>.

### *Integrated approach*

On the content side, the 5 priorities of the AGS were replaced by 3 pillars, reflecting the priorities of the new Commission<sup>10</sup>:

- a coordinated boost to investment
- a renewed commitment to structural reforms
- pursuing fiscal responsibility.

Seven priority policy areas were identified:

1. Improving the dynamics in labour markets and tackling the high level of unemployment
2. Pension reforms
3. Modernising social protection systems
4. Improving the flexibility of product and services markets
5. Improving framework conditions for business investment
6. Improving the quality of research and innovation (R&I) investment
7. Improving efficiency in public administration.

### *Increasing transparency and ownership*

Changes were introduced in the European Semester procedure to streamline and reinforce it, in particular by enhancing stakeholders' ownership of the process<sup>11</sup>.

First, more time was given to discussions and negotiations between the Commission, Member States and other stakeholders<sup>12</sup> before the CSRs were issued. The Commission's analysis of each Member State's economic situation, challenges and implementation of key policies, also called **country report**, is now published two months before the CSRs, whereas both documents were previously

<sup>6</sup> Until 2014, CSRs were accompanied by [Staff Working Documents](#) (one for each country). They explain the rationale behind each recommendation.

<sup>7</sup> The Council of Ministers or 'Council' gathers relevant government ministers from all EU countries, depending on the subject discussed.

<sup>8</sup> The European Council is composed of the heads of state or government of the 28 EU Member States, the European Council President and the President of the European Commission.

<sup>9</sup> Jean-Claude Juncker was elected president of the European Commission for 2014-2019.

<sup>10</sup> See *A New Start for Europe: My Agenda for Jobs, Growth, Fairness and Democratic Change*, Political Guidelines for the next European Commission, by Jean-Claude Juncker, 15 July 2014. Source: [http://ec.europa.eu/priorities/docs/pg\\_en.pdf](http://ec.europa.eu/priorities/docs/pg_en.pdf)

<sup>11</sup> Proposals put forward by the Commission are organised around four axes: 'Simplifying Commission outputs and allowing for more feedback on Commission analysis'; 'Streamlining reporting requirements of Member States'; 'Enhancing the multilateral nature of the process'; 'Opening up the process and increasing engagement with other actors'. As for the latter point, the Commission has put forward some proposals for improving the dialogue with the European Parliament and social partners at EU level.

<sup>12</sup> Staff Working Documents and CSRs used to be published simultaneously. According to the new timeline, the two months before and after the publication of the Country reports will be devoted to bilateral meetings with the Member States and 'fact-finding missions' on the ground.

published simultaneously<sup>13</sup>, leaving no time for Member States to discuss or explain their choices. The country reports are key analytical documents and represent the basis for the CSRs that follow later in the year.

Second, the Commission has requested that Member States follow a 'tell only once' approach. Information already available should be shared and re-used and EU level activities should focus on the analysis and the update of this information. Member States should **'refocus' their National Reform Programmes** by providing more targeted national input at an early stage, and **involve national Parliaments and social partners in the formulation of those documents**. The Commission has decided to give Member States **fewer but more targeted CSRs**, aiming to focus the CSRs on what matters most, and on their effective monitoring and implementation.

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<sup>13</sup> Until 2014, CSRs were accompanied by Staff Working Documents (one for each country). They explain the rationale behind each recommendation.

### 1.3. Key messages

- **The adequacy of the CSRs and NRPs in addressing the main socio-economic challenges was questioned.** These documents sometimes fail to strike a balance between economic and social objectives. Specific concerns are the decrease in the number of CSRs in the area of social inclusion and the lack of attention given to the role of local public social services.
- **Participation of local public social services in the European Semester needs to be addressed to improve ownership of the process.** Whilst most organisations at national level know of the national body responsible for drafting and implementing the NRPs, the situation is very different when it comes to social affairs departments in regional and local authorities, who often found out about the process through work conducted with ESN. Public social services at the local level have hardly been involved in drafting the NRP, or consulted. With a view to creating more ownership of the process, this is an issue that needs to be addressed.
- **Ensuring financial sustainability outweighs social objectives.** While the importance of macroeconomic stability and budgetary discipline is recognised, in many cases budgetary cuts have entailed a reduction of local government budgets and impacted on social policy funding, design and implementation. Increasingly, ensuring financial sustainability seems to outweigh other objectives, including ensuring equal access to social and healthcare services.
- **The lack of coordination between government levels needs to be further addressed.** An unclear and sometimes overlapping or imbalanced distribution of competences and funding as well as a lack of coordination between the relevant levels of government was raised as a key concern that was not sufficiently addressed in the NRPs and CSRs.
- **Social inclusion strategies should be developed along the concept of social sustainability.** These strategies, which are missing in a number of EU Member States, are key in improving people's quality of life, in addition to labour market integration.
- **Childcare is key to promote children's development, prevent the inheritance of social disadvantage and facilitate parents' access to the labour market.** Ensuring access to services for children from disadvantaged backgrounds deserves special attention.
- **Long-term care provisions should be further developed,** especially with regards to the availability and quality of home and community care services, and the provision of adequate training to carers.
- **The issue of housing exclusion needs to be addressed** as it is no longer limited to the most vulnerable groups and increasingly concern people from middle classes.
- **Concerns were raised about the sustainability of EU-funded projects.** The [European Structural and Investment Funds](#) – in particular, the European Social Fund (ESF) – play a major role in financing social services in EU Member States. While this is seen as a positive development, concerns arose about the long-term sustainability of EU-funded projects.
- **Further attention needs to be given to evaluation and quality assessment** of policies and programmes implemented across Member States. For both financial and ethical reasons, social policy impact evaluation is key and should be integrated into policy and service planning from the start. Greater emphasis should be put on the identification and the cross-national dissemination of successful policies, programmes and methodologies.

## 2. Cross-country comparison of key themes

In the analysis below, “members” refer to ESN’s Reference Group members. Countries are named according to their country code. For a complete list of participating organisations and abbreviations, see pages 5 and 7. Please note that the lists of countries named in examples may not be exhaustive. For a full description of each individual country, see the country profiles from page 24.

### Fiscal consolidation and the impact on public social policies and budgets

Fiscal consolidation measures have been implemented in most Member States in the aftermath of the **financial and economic crisis**. In many cases, budget cuts entailed a **reduction of local government budgets** and impacted on social policy funding, design and implementation. Concerns were raised about the consequences on the effectiveness of national social protection systems and the quality of social services provision.

The Spanish and the Italian members recognised the importance of the objectives of macroeconomic stability and budgetary discipline. However, national governments, when creating budgetary saving plans, should take into account the major role played by regions in providing social services. In Italy, the spending review implemented by the national government is imposing heavy cuts, which risk having a detrimental impact on social services provision and possible long-term effects. In Estonia, financial resources allocated to local authorities have been decreasing since 2009.

In Finland, the national government has put forward an ambitious fiscal consolidation plan, affecting spending in education, social benefits and allowances, subsidies to the municipalities, state grants for services, resulting in a general limitation of resources devoted to welfare services. On the other hand, the amount of the state pension was raised, which was seen as a positive measure to reduce poverty among older people. However, the impact of this measure could be undermined by the significant cuts made to housing allowances for older people.

In Portugal, the Association of Social Services Professionals highlighted the severe erosion of a number of public services, which have been discontinued or reduced in the last few years. There has been a dramatic reduction in public service provision, with non-governmental organisations (NGOs) increasingly taking over the role of the state. Faced with this weaker role of the state and the lack of overarching regulation in regards to service provision, the Association of Social Services Professionals worries about the difficulties in ensuring service accessibility and quality throughout the country. The Group’s Polish member appreciated the importance given in Poland’s NRP to the ‘Civic initiatives fund’ programme, which gives NGOs a bigger role in social service provision. However, the funding allocated to the programme seems insufficient, and 80% of contracts are signed for less than one year, which questions the sustainability of the services.

The Hungarian association of social professions wrote that education was among the sectors most severely hit by fiscal consolidation measures. In Ireland, cuts made to education in the recent years have made the system exclusive rather than inclusive. ESN Group members therefore recommend that the grant system be revisited, taking into account the costs of university education, including accommodation, travel and books. Student loans should be assessed, as they lead to long-term debt or hardship – as evidenced in other countries. The ongoing reform of the Irish healthcare system is another cause for concern. Orienting the reform towards mere cost-containment considerations might jeopardise the quality and effectiveness of healthcare services. Similarly, the Finnish association of directors of social services pointed out that the government’s expectations in terms of cost reductions were hardly compatible with the objective of ensuring equal access to social and healthcare services in a sustainable manner.

## Social policy coordination at national, regional and local levels

An **unclear division of competences** between different levels of government has impacted on the effectiveness and quality of services provision (BE, FR, IT, LT, PL, SI, PT, RO, ES). **Administrative reforms** have either been implemented or are on-going in a number of countries, and the assessment of these reforms has varied significantly.

For instance, as a consequence of the sixth state reform in Belgium<sup>14</sup>, a number of competences in the social policy field have recently been shifted to the regions. Concerns were raised about difficulties in implementing these new responsibilities and coordinating actions of the various government levels in employment and social policy.

The ongoing decentralisation process in France can be seen as rather confusing. Different aspects of the same policy continue to be shared between central and local governments, making coordination and implementation difficult<sup>15</sup>. Defining a clear set of principles concerning the allocation of responsibilities between central and local governments - and coherently transferring these competences - was identified as a priority by the French Association of Directors of Social Services. In Slovenia, a debate is taking place between the central government and local authorities over their respective responsibilities in promoting social inclusion. In Poland and Lithuania, the lack of coordination between the institutional actors involved in social and employment policies was identified as a serious problem.

In a number of cases, members stressed the existence of remarkable territorial disparities in social services provision and quality (CZ, EE, IT, ES). In particular, the Lazio Region in Italy stressed the need to enhance coordination amongst institutional actors in order to ensure a basic level of services in all Italian regions and to build a national database on the available services.

### Funding social services: a challenging equation

The **responsibilities for funding** social services raised particular concern (CZ, FI, LV, PT, RO, SI, ES), and remained only partially addressed by recent **reforms**, notably in the Czech Republic and Finland, according to the Group members in these countries.

In the Czech Republic, the 2014 amendment to the Act on social services modified social services' funding by granting more responsibilities to the regions. However, the reform missed the opportunity to reduce regional disparities, which could have been done by improving transparency and introducing common criteria in all regions. In Latvia, the implementation of the 'minimum income scheme', which is part of the ongoing reform of the social security system, needs appropriate co-financing from the state budget.

In Finland, according to the Finnish association of social directors, the ongoing reform of the social and healthcare services has failed to adequately address social and healthcare service financing. Furthermore, possible overlaps between this reform and the ongoing reform of municipal structures should be monitored. In Romania and Slovenia shortcomings concerning State financial allocations to the municipalities have been flagged. In Slovenia, local authorities are experiencing difficulties in securing financing or co-financing of social programmes as a consequence of the unclear distribution of competences between levels of government.

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<sup>14</sup> The sixth state reform, entitled 'A more efficient federal state and more autonomous entities', was adopted at the end of 2013 and devolved additional responsibilities to the Belgian regions (economy, employment) and communities (family policy) as of mid-2014.

<sup>15</sup> Examples include primary and secondary schools, residential services for older people, unemployment benefits and labour market policies, social integration and professional training and disability policies. See more in the "country profiles" section.

## Homelessness and housing exclusion

**Homelessness and housing exclusion** was highlighted as an increasingly burning problem in a number of countries (FR, IE, SE, UK, SI). Problems related to housing are not limited to the most vulnerable groups insofar as they increasingly concern people from **middle classes**, due to **high prices** and a **shortage** of housing in some countries.

In France, the high level of home prices is a source of inequality as well as an obstacle to competitiveness. According to the French association of directors of social services, it will be necessary to reinforce the supply-side policy initiated by the government. The Swedish Member pointed at the inadequacy of government's actions, which have been limited to the development of a set of guidelines and recommendations by the national homeless coordinator on how local authorities can provide housing opportunities.

Addressing housing problems in a context of housing shortage represents a challenge for Swedish social services. On the one hand, they are required by law to provide housing to those in need; on the other hand, social services are not formal actors in the housing market. Consequently, the Swedish member recommended that the government implements a more active housing policy in close cooperation with local authorities and housing companies. In Slovenia, insufficient housing solutions and the high number of evictions of families (183 in 2014) pose serious challenges, especially in the five biggest cities.

The homelessness situation has reached a crisis point in Ireland, where housing lists have increased by 42% on average from 2014-2015<sup>16</sup>. In the United Kingdom, there is a significant pressure on local authorities, particularly in London, to provide appropriate accommodation in the numbers required to meet demand: a reform of the sector has been planned, but it seems controversial and it is unclear as to whether it will be adopted. The situation is particularly worrying when it comes to temporary accommodation, which represents today the biggest challenges for local councils.

## Developing comprehensive and integrated social inclusion strategies

A number of members stressed the **lack of comprehensive social inclusion strategies** in their countries or **delays and shortcomings** in drafting and implementing national **social inclusion agendas**.

The Portuguese member pointed out the tendency to invest in emergency programmes which, in the absence of a more comprehensive strategy for social inclusion, represent only short-term answers to structural problems. The Belgian member reported delays in publishing the federal Plan against poverty (expected in June), while the Czech member claimed that recent changes in the structure of the central government - notably, the closure of the department for social inclusion of the Ministry of Labour - have entailed delays and uncertainty in the implementation of the national agenda for social inclusion.

Reflecting on the social inclusion strategies implemented in their countries and on messages coming from the European Semester, members identified two main limitations: insufficient attention to the issue of **rising inequalities** and a tendency to adopt a **narrow understanding of social inclusion as mere labour market integration**. The need to pay more attention to rising socio-economic inequalities and **inherited inequality** of opportunity was raised by the French, Danish, Swedish and Spanish members. The French association of social services directors noted that one of the major

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<sup>16</sup> See 'City council would need to double its housing stock to house the waiting list', published in The Irish Times, 14.07.2015 <https://www.irishtimes.com/news/social-affairs/city-council-would-need-to-double-its-housing-stock-to-house-the-waiting-list-1.2283797>

causes of inequality and social exclusion was linked to inheritance. Implementing a tax on capitals and increasing the inheritance tax could help reduce inequalities. Both the Swedish and Spanish members pointed at growing socio-economic inequalities as a challenge for their countries, while the Danish member stressed the need to break the intergenerational transmission of social disadvantages.

A number of members said that social inclusion strategies should **adopt a broader view on active inclusion** (DK, DE, IE, NL). While the importance of measures aiming at labour market integration was widely acknowledged, these should be accompanied by other types of social support, especially when it comes to the most vulnerable and those furthest from the labour market, who are generally in need of a complex set of interventions that go beyond employability. As a consequence, it is necessary to elaborate and implement comprehensive and integrated active inclusion strategies, which take into account the three pillars of the 2008 Recommendation on active inclusion<sup>17</sup>: adequate income support, inclusive labour markets, and access to quality services.

The Danish association of social directors invited policy-makers to draft their social inclusion agendas along the lines of **'social sustainability'**, meaning that social policies should aim at improving people's quality of life. It was recognised that this kind of broad approach to social inclusion, which to some extent featured in Denmark's NRP but not in the European Commission's country report, may help to promote the inclusion of the most vulnerable for whom employment and education are not the only challenges (e.g. people dealing with addiction, people involved with the justice system).

Similarly, the Dutch member invites the European Commission to focus on objectives related to quality of life and happiness, besides economic targets. It was also stressed that people's vulnerability often expands to other life dimensions such as loneliness and the lack of social interaction. Consequently, measures should also encourage participation in other social and community activities (such as education and sport).

A number of **shortcomings in employment policies** were stressed by several members (BE, BG, HU, FR, PT, SK, ES). First, the need for more **demand-side initiatives** was highlighted in Hungary, Portugal, Slovakia and Spain, in order to ensure sustainable quality jobs. Second, it is necessary to **assess the effectiveness** of measures such as **public work schemes** (PWS) in Hungary and **subsidised jobs in the non-market sector** in France. Third, several members expressed their concern as to the tendency to resort to **'negative' labour market activation incentives** such as the reduction of social benefits or the tightening of eligibility criteria to access them, as has been the case in Belgium and Hungary.

There was substantial progress concerning the **coverage and effectiveness of active labour market policies** (ALMPs), especially policies targeted at young people, as seen in Bulgaria. However, concerns were raised regarding **support for those furthest from the labour market**. In Spain, the programme for activation of the long-term unemployed has significant time constraints (non-renewable period of 6 months) and lacks accompanying measures to tackle the complex situations in which the long-term unemployed, people in poverty or at risk of social exclusion usually find themselves. Similarly, Latvian public employment services are experiencing serious difficulties when dealing with the long-term unemployed or social assistance recipients. Innovative approaches and enhanced cooperation between public services are needed to help them prepare to enter the labour market. Dealing with long-term unemployment also represents a challenge for public employment services in Poland, but, according to the Group's Polish member, the 2014 reform of the public employment service seems to have improved the situation.

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<sup>17</sup> Commission recommendation on the active inclusion of people excluded from the labour market, 2008: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:307:0011:0014:EN:PDF>

## Availability of childcare services

The importance of **childcare** to promote **children's development**, **prevent** the inheritance of **social disadvantage**, and **facilitate parents' access to the labour market** was widely acknowledged by members. However, developments across Member States vary.

The availability of childcare services is limited in Ireland; this, combined with shortcomings in parental leave legislation, may hamper the participation of women in the labour market. The Belgian member pointed at an increase of the cost for childcare, fearing it would impact negatively on access for children from low-income families.

Positive developments were reported in countries such as Estonia, the Czech Republic, Latvia and Scotland in the UK. Despite the availability of early childhood education and care facilities being still insufficient, the Estonian member noted that considerable investment has been made over the last five years with a view to increase the availability of places in nurseries and kindergartens. In the Czech Republic, the government is supporting municipalities and non-profit organisations to set up new childcare facilities and services through 'Child groups'. The Czech Association of Social Care Providers gives a positive assessment of this initiative and reports that, in 2015, some of its members used it to provide support to children with disabilities (including early-intervention services and day-care centres).

The Latvian member pointed at a recent government measure, which obliges the state and municipalities to support families in accessing private pre-schools when places in public schools are not available. While this measure is considered important to overcome the problem of long waiting lists in pre-school facilities, doubts were raised about its continuation in 2016, since the availability of state funding is uncertain. Finally, the Scottish member pointed at the newly launched programme for ensuring additional free childcare provision.

Despite progress was reported on the availability and quality of childcare facilities, various Group members pointed out **difficulties in ensuring access** to these services **for children from disadvantaged backgrounds** (CZ, HU, PL, ES). In some cases, this is due to insufficient financial resources, inadequate professionals' training, or a lack of services explicitly targeted at the needs of these children.

In the Czech Republic, concerns were raised about access for Roma children. The availability of childcare services and pre-school education is still limited in Poland, but progress has been made over the last years. However, policy measures are not fully adequate or accessible for families with special needs – low income families, large families, and those experiencing multidimensional problems. The lack of measures to ensure equal opportunities for children from families at risk of poverty or social exclusion was underlined as a key issue in Spain. Along these lines, a comprehensive investment plan in early childhood education and care was deemed as necessary.

## Long-term care and deinstitutionalisation

The development of long-term care provisions significantly varies among Member States. Yet, in this policy sector, a **common trend towards deinstitutionalisation** was reported. The need to shift from residential care to **home and community-based care** was highlighted by almost all members.

A number of members pointed to the need to **further develop long-term care provisions**, and, in particular, the need to improve the availability and quality of home-based and community care services, and to provide adequate training to carers (IT, IE, PL, PT, RO, ES, EE, LT, SI). In some cases, progress is very limited or slow (CZ, EE, ES, IE, IT, LV, LT, PL, PT, RO, SI). The inadequacy of financial resources devoted to home care (BE, LT, LV, SI) was one of the main difficulties, while in other countries (LT, SI) members of the Group spelled out difficulties in coordinating the actions of the various services involved.

In Slovenia, a comprehensive reform of the long-term care system is under discussion. While not all details of the reform are publicly available, it is expected to clarify long-term care competences (currently under the responsibility of the Ministry of Health), possibly leading to better coordination between social and health services. In Estonia, care provision at home and in day care centres appears underdeveloped and regulation is insufficient.

In Lithuania formal non-residential care services for older people are underdeveloped. Family members, mostly women, often take up care responsibilities. However, this topic was not highlighted as a priority in the 2015 NRP. When it comes to children in need, the Lithuanian association of local authorities noted that the implementation of the action plan facilitating the **transition from institutional to community care**<sup>18</sup> has encountered severe challenges, mostly due to the lack of financial resources.

In Latvia, the government's 2014-2020 social services development guidelines give primary responsibilities to municipalities in managing the deinstitutionalisation process and developing community-based social services. However, implementation is hindered by lack of clarity on financing. In Portugal, austerity measures have stopped investment in long-term care provisions (including home care services) for both older people and people with disabilities.

**Positive developments** emerged in France, Finland, the UK and Bulgaria. The representative of the French association of social services directors provided a positive appreciation of national policies supporting home care for older people and people with disabilities thanks to the 2005 introduction of 100 one-stop-shops for disability and older people's services in France.

In Finland, deinstitutionalisation and the development of community care services for people with disabilities is progressing smoothly, though important regional differences in the availability of services persist. In Scotland, the Public Bodies Act 2014, which integrates health and social care, will take full effect in 2016 leading to the further development of integrated community-based services. Since 2015, the European Social Fund (ESF) has been supporting the implementation of innovative and integrated home services for children with disabilities and older people in Bulgaria.

## The role of EU funds

A number of members highlighted the role of the **European Structural and Investment Funds** – in particular, the European Social Fund (ESF) – in **financing** social policy programmes in their countries (BG, EE, HU, IT, LV, PL, RO, SK).

Besides active labour market policies (ALMPs), examples of EU-funded initiatives covered the social inclusion of people with disabilities and mental health problems (BG and EE), early childhood development and childcare (EE, HU), education (HU), Roma integration (BG, HU), older people's services (BG, RO), social work training (LV).

The importance of EU funds in financing these policies was stressed in particular in Bulgaria, Estonia, Poland, Slovakia and Italy. For instance, in the Lazio Region in Italy, in a context characterised by significant budget cuts in social services, the ESF-linked budget will represent a substantial part of the overall social policy funding.

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<sup>18</sup> The 'Action Plan for the Transition from Institutional Care to the provision of Services in Families and the Community for the Disabled and Children Deprived of Parental Care 2014-2020' was adopted in 2014.

In Bulgaria, ALMPs and measures devoted to vulnerable groups such as the low-skilled, older workers, people with disabilities, the long-term unemployed and Roma are heavily dependent on resources provided by the ESF. The Institute for the Development of Social Services in Poland defined the role of the ESF in developing measures against youth unemployment as 'crucial', while the Slovakian member reported that EU funds represented a very high proportion of total public investment in Slovakia.

While the overall assessment of EU-funded projects is often positive, concerns were raised related to their **long-term sustainability**. In some cases, they are small-size experimental projects which are not scaled up, and rarely lead to systemic change.

## Evidence-based policy-making

Several members called for enhanced **evaluation** and **quality assessments** of policies and programmes implemented in their countries (DK, EE, ES, FR, IT, PT, SK, SE), which is all the more important as available resources are shrinking. As a consequence, many members asked for a shift towards more '**evidence-based**' **policy-making**, with greater emphasis on the identification and cross-national dissemination of successful policies, programmes and methodologies.

In Estonia, the quality assessment of social service provision is weak overall, although some evidence-based programmes are being developed in child protection (e.g. parenting programmes) and education (e.g. prevention of school bullying). The French member of the Group highlighted that there has been a lack of scientific evaluation in social policy in France and advocated for conducting large-scale measurement of the long term impact of social programmes, possibly using randomised controlled trials.

In Italy, it would be fundamental to make data available on three elements: needs, implemented measures and client satisfaction. The Department for Regional Development of the Košice Region in Slovakia pointed out that policy decisions should draw more on expert analysis and knowledge. The lack of regular assessments and policy monitoring was also flagged by the Association of Social Services Professionals in Portugal.

Members identified specific areas where scientific evidence would be of key added value: the social situation of asylum seekers in Ireland, child care and child protection and the long-term impact of ALMPs in France, and the shift to community-based care in Scotland. In Lithuania, appropriate performance indicators should be developed to assess the impact of the recent reform of social assistance, whilst in Sweden evidence-based methods could be helpful in evaluating the provision of the various types of older people's services.

### 3. Adequacy of the CSRs and the NRPs in addressing the main socio-economic challenges and involvement of local public social services

Looking at the adequacy of the CSRs<sup>19</sup> in addressing the main socio-economic challenges in the countries featured in this analysis, **there is a wide variation across Member States**. In ten cases, members of the ESN Reference Group gave a positive appreciation of the recommendations received by their countries (BG, CZ, EE, IT, LV, LT, RO, SI, SE), while in eleven countries members felt that the CSRs did not adequately address the main socio-economic challenges that they currently face (BE, DK, FI, FR, HU, IE, NL, PL, PT, ES, UK). One of the key reasons for this negative appraisal is that the CSRs seemingly fail to strike a balance between economic and social objectives. Economic objectives and fiscal consolidation targets were felt to be the priority, while insufficient attention was given to social priorities. In several cases, members were surprised about **the absence of a CSR in the area of poverty and social exclusion**, especially where this was seen as a priority challenge for the countries concerned.

#### Fewer CSRs leave little room for local public social services

Eleven members highlighted that the role of local public social services was not sufficiently acknowledged in the CSRs (HU, IE, IT, LV, NL, PT, SK, SI, ES, SE, UK). A more positive appreciation was found in three cases (BG, EE, FR)<sup>20</sup>. This negative assessment may be due to the fact that specific issues concerning local public social services are not addressed by the CSRs, while in fewer cases members underlined a more general lack of attention towards social services and an underestimation of their importance.

Members were asked to provide their opinion on the new approach towards 'fewer and more targeted' CSRs, introduced by the European Commission in the 2015 European Semester and to assess the possible consequences of this approach in addressing issues that are important for local public social services. In a number of cases, respondents assessed this approach as 'negative' or 'rather negative' (DK, FI, DE, IE, IT, NL, PL, PT, UK), claiming that it entailed – or was likely to entail – a decrease in the attention devoted to social policies and the role of local public social services.

Looking at the adequacy of the NRPs in addressing the main socio-economic challenges, nine respondents found that the NRPs were effective in analysing the main socio-economic challenges (BG, CZ, DK, EE, IT, LV, RO, SI, SE), and precisely as many answered negatively (BE, FI, FR, HU, IE, NL, PL, SK, ES)<sup>21</sup>, underlining the main limitations of the NRPs: an insufficient focus on specific social issues and on social policy in general, an inadequate response to social challenges, and lack of a strategic long-term vision.

#### Limited involvement of local public social services in the preparation of the NRPs

One of the objectives of the questionnaire was to understand to what extent respondents had been involved in the key activities of the European Semester at national level, notably the implementation of the CSRs and drafting the NRPs. The drafting of the NRPs is one of the key stages of the European Semester at national level.

At least 14 members of the Group were able to identify the national body responsible for drafting the NRPs in their countries (BE, BG, CZ, DK, EE, DE, IE, IT, LV, LT, PL, SK, SI, SE), while five respondents were not aware of such a structure (FI, FR, PT, ES, UK). However, only three respondents had actually been consulted in the process of drafting the NRPs (BG, CZ, LT), while seven stated that they had not been consulted at all (FI, FR, IE, IT, PT, SK, ES)<sup>22</sup>.

It seems therefore safe to conclude that the consultation of local public social services on the process of drafting key European Semester documents such as the NRPs in 2014-2015 was rather limited. With a view to creating more ownership of the process, this is an issue that needs to be addressed.

<sup>19</sup> The reference is to 2015 CSRs proposed by the European Commission (i.e. before they are amended by the Member States and adopted by the Council of the EU).

<sup>20</sup> Eight members did not provide any answer to this question, or their answer was not entirely clear.

<sup>21</sup> In five cases, no answer or unclear answers were provided.

<sup>22</sup> In twelve cases, no answer or unclear answers were given to this question.

## European Commission's 2015 Country-specific Recommendations

This table presents the challenges identified by the European Commission during the European Semester 2015.

	Public finances and welfare systems					Labour market			Education	Social inclusion	Administration	Financial sector		Product and service markets		
	Public finances	Taxation	Pension system	Healthcare system	Labour market	Labour market taxation	Wage-setting	Education and skills				Poverty and social inclusion	Administrative modernisation and rule of law	Banking and access to finance	Housing and private debt	Services and network industries
AT																
BE																
BG																
CZ																
DE																
DK																
EE																
ES																
FI																
FR																
HR																
HU																
IE																
IT																
LT																
LU																
LV																
MT																
NL																
PL																
PT																
RO																
SE																
SI																
SK																
UK																
Euro area																

## 4. Country profiles and 2016 Recommendations

The Group members were asked to provide one recommendation they would like the European Commission to make to their country in the framework of the 2016 European Semester process. Recommendations are followed by a short explanation of the rationale behind them.

### 4.1. Overview table

Country	Recommendation
<a href="#">Belgium</a>	<p>Develop joined up approaches between all government levels to reduce the number of people at risk of poverty or social exclusion.</p> <ul style="list-style-type: none"> <li>▶ The recent administrative reform should be accompanied by a clearer framework for cooperation between the federal and regional levels, and between regions themselves.</li> </ul>
<a href="#">Bulgaria</a>	<p>Develop integrated care services for these vulnerable groups: children in care, Roma, and people with disabilities.</p> <ul style="list-style-type: none"> <li>▶ Better coordination of all agencies, especially in the field of social support and employment, could help provide long-lasting solutions for the most vulnerable.</li> </ul>
<a href="#">Czech Republic</a>	<p>Implement a reform of long term-care public services: develop uniform procedures around quality, financing and outcome measurement.</p> <ul style="list-style-type: none"> <li>▶ The country profile highlights the need to improve social services planning and provision through uniform procedures across regions, an effective quality control system, transparent financing and procurement procedures and long-term outcome measurement.</li> </ul>
<a href="#">Denmark</a>	<p>Build on the concept of “social sustainability” to develop social services beyond employability and reach out to vulnerable groups.</p> <ul style="list-style-type: none"> <li>▶ As documented by the EC country report and the country profile in this publication, the Danish social welfare system has had difficulties to reach out to certain groups such as immigrants, people with mental health problems and homeless people, in the fight against poverty and social exclusion.</li> </ul>
<a href="#">Estonia</a>	<p>Develop uniform quality standards for coordinated planning and management of social services across the country, especially in long-term care.</p> <ul style="list-style-type: none"> <li>▶ Important gaps continue to exist in social services provision at local level, particularly around services’ availability.</li> </ul>
<a href="#">Finland</a>	<p>Monitor the new government’s programme related to the reform of health and social care services.</p> <ul style="list-style-type: none"> <li>▶ The impact of the reform on public budgets and personal households, on the quality and coverage of services (notably health and social care), on employment, and on older people in particular, should be looked at.</li> </ul>
<a href="#">France</a>	<p>Shift focus (and funding) from active labour market policies (ALMPs) to combatting early school leaving.</p> <ul style="list-style-type: none"> <li>▶ France has invested heavily in ALMPs and subsidised jobs, whereas there is no clear evidence of their impact on labour market inclusion. Evidence suggests that other measures, such as preventing school drop-outs, should now be developed.</li> </ul>
<a href="#">Germany</a>	<p>Develop an overall strategy seeking better outcomes for children.</p> <ul style="list-style-type: none"> <li>▶ This strategy has been missing so far and it is needed to improve outcomes for children, particularly the most disadvantaged; for instance, through inclusive education and increased ECEC provision and participation.</li> </ul>
<a href="#">Hungary</a>	<p>Evaluate the Public Work Scheme and its outcomes on participants, labour markets and businesses.</p> <ul style="list-style-type: none"> <li>▶ Hungary has invested heavily in these publicly subsidised jobs, whose impact on the labour market and local economies could be detrimental.</li> </ul>
<a href="#">Ireland</a>	<p>Increase the availability of social housing for households and individuals.</p> <ul style="list-style-type: none"> <li>▶ The housing situation has reached crisis point. Waiting lists are increasing. Social welfare recipients, low-paid workers and families are most at risk.</li> </ul>

<a href="#">Italy</a>	<p>Grant a homogeneous level of basic services throughout the country.</p> <ul style="list-style-type: none"> <li>▶ A European definition of a basic level of social services could help Italy to rationalise and better target service provision throughout the country.</li> </ul>
<a href="#">Latvia</a>	<p>Establish guidelines for local authorities' involvement in shaping social policy and standards for social services.</p> <ul style="list-style-type: none"> <li>▶ Local authorities play a major role in implementing services. A framework for their involvement in policy formulation at an early stage should be introduced. This is particularly true regarding the transition to community-based services.</li> </ul>
<a href="#">Lithuania</a>	<p>Review the impact of the 2012 social assistance reform on poverty reduction and social inclusion.</p> <ul style="list-style-type: none"> <li>▶ It remains unclear how the impact of the reform will be monitored. In particular, there is a need for clear guidelines on the implementation of community-based services.</li> </ul>
<a href="#">The Netherlands</a>	<p>Assess the impact of the decentralisation reform from a social inclusion perspective.</p> <ul style="list-style-type: none"> <li>▶ The decentralisation reform has increased the responsibilities at the local level, while budgets have decreased. This major shift should be implemented in a way that leaves no one behind.</li> </ul>
<a href="#">Poland</a>	<p>Reform the social protection system, specifically long-term care and informal carers provisions.</p> <ul style="list-style-type: none"> <li>▶ Social protection in Poland needs restructuring. This could be done by redesigning and better targeting social assistance measures (benefits and allowances for different groups), and by developing long-term care and respite care services for family members, which currently do not exist.</li> </ul>
<a href="#">Portugal</a>	<p>Adopt a long-term strategic plan against poverty.</p> <ul style="list-style-type: none"> <li>▶ Poverty in Portugal has dramatically increased over the last few years. Emergency measures have been introduced (social canteens), but without being part of a comprehensive strategy.</li> </ul>
<a href="#">Romania</a>	<p>Introduce legislative mechanisms that will create the conditions to empower local authorities to implement social services.</p> <ul style="list-style-type: none"> <li>▶ A coherent framework should be implemented giving more autonomy to the local level regarding planning and evaluating services on the basis of the needs of the local communities.</li> </ul>
<a href="#">Slovakia</a>	<p>Assess the sustainability of community care services funded with EU funds.</p> <ul style="list-style-type: none"> <li>▶ European funding should be well targeted and used in line with development priorities identified and agreed at regional level. The sustainability of EU-funded community-care services beyond 2020 should also be looked at.</li> </ul>
<a href="#">Slovenia</a>	<p>Ensure the effectiveness of social services in the light of increasing needs and decreasing human and financial resources.</p> <ul style="list-style-type: none"> <li>▶ The implementation gap of social services in Slovenia must be addressed. The financing of social inclusion measures at the local level is challenged.</li> </ul>
<a href="#">Spain</a>	<p>Introduce a guaranteed minimum income scheme.</p> <ul style="list-style-type: none"> <li>▶ During the crisis, disadvantaged families have struggled to meet their basic needs. A minimum income scheme could help counterbalance precariousness and inequalities and reduce poverty and social exclusion.</li> </ul>
<a href="#">Sweden</a>	<p>Develop a national and inclusive housing policy based on cooperation between public and private stakeholders.</p> <ul style="list-style-type: none"> <li>▶ Housing shortages are affecting an increasing number of people in Sweden. This calls for an active government-led policy, in cooperation with local authorities and building and housing companies (both responsible for delivering the policy on the ground).</li> </ul>
<a href="#">United Kingdom</a>	<p>Empower local authorities to develop public housing for vulnerable groups (e.g. older people, social welfare recipients, people with disabilities, children in/or leaving care).</p> <ul style="list-style-type: none"> <li>▶ Housing subsidies should be replaced by an increased supply of genuinely affordable housing to meet the growing demand, especially for temporary accommodation, which is one of the biggest challenges facing local authorities across the UK.</li> </ul>

## 4.2. Country profiles

### Belgium

#### The fight against poverty is losing momentum at federal level

The third federal plan against poverty for 2015-2019 was not adopted by the expected date (June 2015) and is now foreseen for the end of 2015. The drafting of a national child poverty reduction plan has not started. This is related to a lack of cooperation between the Belgian government and regional governments, and between regions themselves. Within the decentralisation reform, a number of competences (such as deciding on child allowances) were transferred to the regional level<sup>23</sup>. ESN member, the federal public planning service for social integration (PPS-SI) worries about the EU2020 poverty target<sup>24</sup> being abandoned. Community development plans could be useful tools to elaborate local strategies against poverty by having all stakeholders.

#### Affordable services at stake

The standard minimum rate in day-care has increased and will continue to do so, from €1.56 to €5. This creates new difficulties for less well-off families in need of affordable childcare, whose income has not been raised. However, the pilot project on developing a common methodology on reference budgets in Europe<sup>25</sup> showed that a monthly EUR 50 raise in minimum income could have a positive impact in living conditions and for instance, make it possible for a family to cook their own meals<sup>26</sup>.

Budget cuts have affected multiple types of services, such as long-term care services. The transition from institutional to community care and care at home has not been supported by the appropriate funding, training of professionals and social workers, or the development of quality standards. Hospitals' psychiatric units are also affected by budget cuts, with major obvious spill-over effects on other services. For example, homeless services are now working with more people with mental health problems.

#### Tightened access to social benefits and “negative” incentives

Youth unemployment rates “range from almost 45% for young men in the Brussels-Capital Region to only 13% in the province of West Flanders<sup>27</sup>”. Despite this, eligibility criteria for benefits have been tightened, which pushes young people, but also the long-term unemployed and other vulnerable groups, to the edge of the social protection system. Such “negative” employment incentives are also observed in the 10% cut in sickness and invalidity allowances, which are supposed to encourage labour market participation but feared to increase precariousness.

<sup>23</sup> The sixth state reform, entitled ‘A more efficient federal State and more autonomous entities’, was adopted at the end of 2013 and devolved additional responsibilities to the Belgian regions (economy, employment) and communities (family policy) as of mid-2014.

<sup>24</sup> One of the 5 targets of the Europe 2020 Strategy adopted in 2010 foresees “at least 20 million fewer people in or at risk of poverty and social exclusion” in the European Union by 2020.

<sup>25</sup> See <http://www.referencebudgets.eu/>

<sup>26</sup> Source: Reference budget concluding seminar, 2 June 2015. See more at <http://www.referencebudgets.eu/>

<sup>27</sup> Men aged 18-25. Source: European Commission's country report, Belgium, 2015.

## Bulgaria

### Improving social assistance

Bulgaria's Agency for Social Assistance recommends that minimum social security thresholds (MSST) should be kept at the same level in economic sectors with a high concentration of low-skilled employees. It is welcomed that a current draft law on social assistance emphasises more person-centred provisions responding to individual needs. The nature of certain basic services, like food distribution to the most vulnerable in the framework of the FEAD<sup>28</sup> programme, should be included more explicitly in the NRP.

### Social Protection, Poverty and Social Exclusion

Social assistance schemes are still ineffective in contributing to the active inclusion of those furthest from the labour market due to strict eligibility criteria. Means-tested benefits should have increased noticeably since the crisis and should have been addressed more strongly in the country reports. This leads to low incentives to register with employment offices.

### Integrated approach in active inclusion measures for the most vulnerable

The EC country report rightfully considers economic recovery and its positive impact on the country's economy. However, it does not acknowledge sufficiently the dependence on the European Social Fund for the programming period 2014 to 2020 in developing initiatives for vulnerable groups, including older workers, people with disabilities, long-term unemployed and Roma. In a similar light, the NRP does not look enough at inclusion measures and sustainable employment for the most vulnerable. In particular, Employment Offices need to put in place a more integrated approach for ensuring better access to support and higher efficiency of those support measures. More emphasis should be placed on coordination between the employment agency and the Agency for social assistance.

### Roma inclusion

The EC country report strongly considers the marginalisation of the Roma community across relevant areas, such as youth employment, child care, as well as primary and secondary education. However, the NRP does not sufficiently cover measures addressing Roma, as the implementation of measures was not backed up by adequate resources, like in the example of the National Roma Contact Point, which would need more means to effectively coordinate and implement measures within the National Roma Integration Strategy.

### Bringing the deinstitutionalisation of care forward

With respect to the Country-specific Recommendations, higher priority should be given to deinstitutionalisation of care of older people and people with disabilities. Efforts towards deinstitutionalisation should include a more holistic understanding of the process behind it, where the closure of large institutions needs to go hand in hand with extensive consultation of stakeholders in public and private sectors, including local authorities and service providers. Building up on the expertise already gathered in the field of child care during the programming period 2007-2013, deinstitutionalisation should also include adults.

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<sup>28</sup> Fund for European Aid to the Most Deprived (FEAD).

### Social services are changing – but not fast enough

Social services have undergone positive changes towards more simplification and transparency, as mentioned in the Czech NRP. In 2014, the amendment of the Act on social services transferred the responsibility of funding services to the regions. ESN member, the Association of Social Care Providers in the Czech Republic (APSS), welcomes the methodological document issued by the ministry of labour and social affairs aimed at unifying social services and clarifying the contracting procedures for regions and service providers from 2016 on. However, they regret that no significant change was introduced in regards to the length of financing cycles, which remain short, and service quality inspection methods. The weak competition between providers results in a limited choice in services for users. This could be improved by better community planning and the creation of networks of social services at the local level.

### The Czech Republic needs to plan for long-term care services

Whereas the government has made positive steps in the field of active ageing by adopting a national plan for 2013-2017, the country is lagging far behind other EU countries, APSS says. The 2011 long-term care bill was withdrawn and the interdisciplinary expert group working on it was dismantled in 2014. Progress in the field is needed as the share of the Czech population over 65 years old is expected to increase by 74% between 2013 and 2060, and by 212% for those aged over 80 years old (against EU averages of 59% and 139% respectively)<sup>29</sup>. As for the old age dependency ratio, it should double by 2060<sup>30</sup>.

### Childcare services and inclusive education are progressing

In line with the 2014 and 2015 CSRs, measures have been taken to increase the availability of childcare for children aged up to three years old. The 'Act on Child Groups'<sup>31</sup> introduces the possibility for public bodies, private companies, NGOs and other entities to provide services for groups of up to 24 children. Moreover, the government, with the help of EU funding, will support municipalities and non-profit organisations in developing ECEC facilities until 2023. EU funding has been successfully used by ESN member notably to provide social services for children with disabilities (early intervention services, day care centres, and personal assistance).

However, inequalities in access to ECEC continue to affect disadvantaged groups despite the existence of several strategic documents. Most Czech schools still lack programmes for the inclusion of children with disabilities, whether accessibility measures, time and relaxation spaces are needed. Teachers still lack training on children's needs and there is a shortage of teaching assistants. Although this is sometimes compensated by the ad-hoc actions of NGOs on the ground, there is a need for a national response. In this regard, APSS recognises that successful efforts have been made, and nowadays around 10% of mainstream schools have programmes specifically tailored to the needs of children with disabilities.

### Labour market integration of people with disabilities

ESN member finds that the 2015-2020 National Plan for the Equalisation of Opportunities for People with Disabilities is not helping their integration in the open labour market and works better for the protected labour market. Quotas and possible sanctions introduced by the plan and the Czech Employment Act have tended to be easily circumvented by employers, instead of working as powerful incentives to hire people with disabilities.

<sup>29</sup> Source: The 2015 Ageing Report, European Commission, Directorate-General for Economic and Financial Affairs, p.20. [http://ec.europa.eu/economy\\_finance/publications/european\\_economy/2014/pdf/ee8\\_en.pdf](http://ec.europa.eu/economy_finance/publications/european_economy/2014/pdf/ee8_en.pdf)

<sup>30</sup> Source: Pension projections of the Czech Republic, Ministry of Finance, December 2014, p.6 [http://europa.eu/epc/working\\_groups/ageing\\_en.htm](http://europa.eu/epc/working_groups/ageing_en.htm)

<sup>31</sup> "Child groups' are not-for-profit organisations offering an alternative type of childcare, based on the Austrian 'Kindergruppe' model." Source: European Union portal, European Platform for Investing in children, Country profiles. [http://europa.eu/epic/countries/czech-republic/index\\_en.htm](http://europa.eu/epic/countries/czech-republic/index_en.htm)

## Denmark

### Leaving no one behind in the fight against social exclusion

According to the ESN member, the Danish Association of Social Directors (FSD), combatting poverty and social exclusion needs to address specifically disadvantaged social groups such as immigrants, people with mental health problems and homeless people. Their integration can be eased through an integrated approach combining education, training and employment. One of the sections of the Danish NRP focuses on the need to ensure the sustainability of social policies and services. This dimension is positively emphasised by FSD, but has not been addressed by the European Commission's country report. At the same time, it is acknowledged that even integrated support, like services offering support to drug users and people with mental illnesses, struggle to reach all relevant target users or to achieve long-term impact.

### Children: improving detection, early intervention and long-term solutions

The country report and NRP give too little attention to the increasing number of children in care, the underlying drivers and growing expenditure in the field, says FSD. For children at risk, focus should be put on poverty amongst families and its effects. The country report does not reflect the high level of attention given to children at risk of social exclusion. The Danish government has announced a series of targets for 2020 and has enacted the so-called "Barnets Reform" ("*children's reform*"), aiming to ensure that children and young people at risk of social exclusion have the best opportunities for developing personal and professional qualifications.

### Preventing exclusion and marginalisation among young people through education and social training

FSD emphasises education as a key factor to break the cycle of deprivation of young people. Sadly, according to Danish statistics, only 52% of 25-year-olds whose parents are poorly educated manage to complete general or vocational upper secondary education. Therefore, school drop-out needs continuous monitoring. Moreover, it is important to closely link educational initiatives to social measures, but also to employment, health and housing measures. It seems that an increasingly significant number of children are affected. For instance, in the area of antisocial behaviour, where a Danish investigation has shown that children who experience criminal acts in their childhood have an increased likelihood of committing a crime when they grow up.

### Adapting the labour market to people with disabilities and people with mental health problems

As described in the country report, people with disabilities and reduced work capacity often find themselves at the margins of the labour market. Despite efforts carried out their employment rate has not improved. To improve the situation, FSD suggests that data on these group's participation in the labour market should be collected and monitored and encourage a greater and more systematic involvement of private companies.

## Estonia

### Organising and assessing the quality of social services: more needs to be done

ESN member, the Department of Social Welfare of the City of Tartu<sup>32</sup>, notes that important gaps continue to exist in social services provision at local level; for instance, the amount of the carer's allowance or the number and type of available services. Positive steps were introduced in the 2015 draft Social Welfare Act, such as improved regulation and clearer description of local governments' responsibilities. Important features could be added, such as the introduction of quality standards, the requirement to assess services' quality at local level, and the need to consider services' sustainability beyond the current EU funding period (2014-2020). The draft legislation fails to encourage coordination between organisations working in different sectors (e.g. through one-stop shops) and various levels of government. On a positive note, the Ministry of Social Affairs has issued recommendations which could be the basis of common standards for a uniform provision of services and better data gathering, amongst others. The Work Ability reform<sup>33</sup> has shown that from good planning and targeting, good practice can and do emerge.

### Children's services and policies: towards more coordination

Estonia has a generous parental leave and child benefits policy, but there is a need to provide more support to those with fewer resources and to increase parents' ability to reconcile work and family life. In 2012, the government launched the Children and Families Strategy until 2020, which goes beyond the 3 pillars of the EC Recommendation Investing in Children and focuses on five dimensions: positive parenting, child rights, child protection, adequate income support, and reconciliation of work, family and private life. The latter, along with the creation of extra ECEC places, should be a priority as care duties often prevent parents from working, especially in those families with less resources. Moreover, the Child Protection Act<sup>34</sup>, which comes into force in January 2016, establishes a national Child Welfare Agency to replace a currently fragmented system with a cross-sectorial child protection management and coordination approach. Estonia has also started to look at evidence-based parenting and rehabilitation programmes for children with severe mental health problems and behavioural disorders.

### Towards a plan for long-term care policy

The number of beds in hospitals and care institutions has increased. This has meant that new and large residential facilities (more than 100 places) are being built while home care remains limited. Moreover, little attention is given to the development of quality standards and assessment tools for services and care givers. However, Tartu welcomes the use of the European Social Fund to provide services in remote areas. Moreover, the government is now working with social partners on a 2016-2023 plan for social security, inclusion and equal opportunities<sup>35</sup> that will look at the sustainability of the welfare system.

### Services for people with disabilities

Social transfers have proved to be efficient when it comes to reducing the risk of poverty for people with disabilities, who remain 1.5 times more exposed than the average population. While reforms promoting the development of community care are expected, especially for people with mental health problems, this seems to be done without adequate planning in terms of human capacity, financial means and transfer of care management tasks to local authorities. The Estonian Special Care and Welfare Development Plan for 2014-2020<sup>36</sup> aims to improve the availability and quality of services provided to people with disabilities.

<sup>32</sup> Tartu is the second biggest city in Estonia.

<sup>33</sup> The Work ability reform aims to help people with reduced working ability to find suitable employment. It is based on new individual assessment methods. <http://sm.ee/en/work-ability-reform> (in English)

<sup>34</sup> See <https://www.riigiteataja.ee/en/eli/506052015001/consolide> (in English)

<sup>35</sup> <http://www.sm.ee/et/sotsiaalse-turvalisuse-kaasatuse-ja-vordsete-voimaluste-arengukava-2016-2023> (in Estonian)

<sup>36</sup> See (in English) [http://www.sm.ee/sites/default/files/content-editors/eesmargid\\_ja\\_tegevused/Sotsiaalhoolekanne/Puudega\\_inimetele/special\\_care\\_2014-2020.pdf](http://www.sm.ee/sites/default/files/content-editors/eesmargid_ja_tegevused/Sotsiaalhoolekanne/Puudega_inimetele/special_care_2014-2020.pdf)

## Finland

### Territorial reforms in the context of budgetary challenges

ESN's Finnish member, the Association of Social Services Directors, notes that the 2016 national budget is characterised by cuts in education, in private healthcare, overall public spending and benefits. This happens against the backdrop of an increased EUR 5.3 billion public deficit. A particularly drastic example is the cut in older people's housing allowances, who are more likely to be affected by poverty. The only positive exception to budgetary restrictions is the increase in the guaranteed minimum pension. Cuts in the financial compensation of private healthcare services<sup>37</sup> from 40% down to 20% could be detrimental and lead to higher demands and longer waiting lists in the public healthcare system.

### Reforms in the health and social care sector

The health and social care reform is extensively covered in the EC country report and the NRP. The new government's programme foresees the integration of health and social care at the level of 19 newly created autonomous regions, whereas these matters were previously dealt with at the municipality level. Social and health care managers broadly agree on the reform's content, and they are committed to implement changes at regional level. However, the Association expresses a number of warnings, as some financial and practical questions remain unaddressed. The cost reductions expected by the government (EUR 3 billion, i.e. 15%) are unlikely to happen, especially since local authorities are faced with an estimated 1.5% increase in health and social care related costs. Consequently, short-term savings could be overshadowed by higher costs in the long-term.

Moreover, organisational reforms alone do not seem capable of addressing the main challenge of the Finnish welfare system, i.e. its economic sustainability as a whole, and for everyone. Gaps in the level and quality of welfare provision have grown between regions. A solution could be to introduce targeted services for vulnerable groups, a vision that is not yet agreed upon at the national level.

The Association therefore calls for a risk analysis and a thorough monitoring of the reform and its potential effects on social inclusion. The large scale of the reform will require time to be implemented, hence the urgent need for an action plan.

Neither the EC country report nor the NRP adequately address the extent of the challenges caused by demographic ageing and its implications for the care system. The need to bring forward more home-based services should be made clearer. While deinstitutionalisation and the development of community care services are moving forward in Finland, their implementation should be carefully monitored as it varies greatly across regions.

### Active Inclusion: extending employment, increasing employability

Due to the impact of ageing on the Finnish workforce, there should be a focus on maintaining older workers longer in the workforce by adjusting existing work environments to their needs and increasing retirement age. In addition, the NRP should have stressed the need to have local employment packages for vulnerable people. The Commission's country report should have looked at the increasing number of people, even young people, retiring because of mental health problems. There is a need to develop legislation and services for citizens with partial work capacity with a view to enhance their participation in the labour market.

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<sup>37</sup> Kela, the social insurance institution of Finland, partially reimburses private healthcare, on top of public healthcare.

## France

### The decentralisation reform

2015 marked a new step in decentralising the French administration. The introduction of new “métropoles”, whereby the 14 biggest French cities<sup>38</sup> receive more competences, is welcomed by the French Association of Social Directors (ANDASS). However, the reform fails to clarify responsibilities for a number of key policies (e.g. social security, public health, education). Overlaps and inconsistencies between levels of government persist. For instance, care for older people is supervised by the regional level, while housing and dependency matters are dealt with at the local level. Children and adults with disabilities still fall under two different authorities (state and county respectively), which jeopardises the continuity of care and support, although the creation of one-stop-shops (“Disability country houses<sup>39</sup>”) in 2005 has helped. The same can be said of employment, education, and social integration policies. There should be a clear assessment of the decentralisation process and what should best be done at the national and at the local level in terms of planning and implementing social policies.

### “Inherited” inequality and the use of evidence in social services

Inherited disadvantages and assets have caused growing inequalities of opportunity. While the top 10% of the population owns nearly 80% of the country’s total assets, they earn “only” 40% of revenues<sup>40</sup>. Such inequality is detrimental to both social cohesion and growth<sup>41</sup>. ANDASS calls on the state to use research and evidence to improve services and rationalise spending. For instance, knowing that the per capita cost of family care is roughly half of that of institutional care, a simple calculation shows that raising the national rate of family care to 90% - as is already the case in certain counties - would result in approximately EURO 1.4 billion savings. It would therefore be useful to undertake an evaluation on the right mix between family foster care and institutional care, which varies widely across counties. While some counties rely on 20% foster care and 80% institutional care, others rely on 90% foster care and only 10% institutional care.

### Finding alternatives to ALMPs to fight unemployment and social exclusion

The impact of ALMPs and the use of subsidised contracts should also be assessed, to establish whether they effectively help people’s long-term integration in the labour market. France has massively subsidised ALMPs and jobs in the public sector, whereas evaluations have concluded that such jobs have no positive effect on long-term employment<sup>42</sup>. Other measures should be given priority, such as combatting early-school leaving, promoting “second chance” programmes, improving care for young children (e.g. through initiatives such as “Parler bambin<sup>43</sup>”), and tackling inequality. The “Garantie Jeunes” scheme is expanding throughout the country and is expected to deliver good outcomes in terms of social and labour market inclusion of vulnerable young people<sup>44</sup>. Indeed, while older people are relatively protected (guaranteed income, low taxation), poverty amongst young people is comparatively high<sup>45</sup>. Environmental taxation<sup>46</sup>, a field where France is lagging behind<sup>46</sup>, is another way to increase tax revenues and tackle social exclusion.

<sup>38</sup> They were created in three steps - in 2011, 2015 and 2016 successively.

<sup>39</sup> The 2005 disability law created 100 MDPH (county houses for people with disabilities), i.e. 1 per county or ‘département’.

<sup>40</sup> See Thomas Piketty, *Le Capital au XXI<sup>ème</sup> siècle*, p. 676-677

<sup>41</sup> Source : OECD, ‘Inequality’ <http://www.oecd.org/social/inequality.htm>

<sup>42</sup> Etude DARES n°113, avril 2006, *La politique spécifique de l’emploi et la formation professionnelle : un profit à moyen terme pour les participants ?*, Karl Even, Tristan Klein

<sup>43</sup> Parler bambin (‘chat with toddlers’) is a pedagogical method used to improve language abilities of young disadvantaged children.

<sup>44</sup> “Garantie jeunes” is a scheme targeting the most vulnerable young people. It is one element of the Youth Guarantee in the European sense, despite the semantic resemblance. It offers a EUR 452 monthly allowance, decreasing as the young person earns money from their activities.

<sup>45</sup> The at-risk of poverty rate or social exclusion of young people (16-24) was 27.5% in 2013, as against a national average of 10.4% (Eurostat, 2013).

<sup>46</sup> Environmental taxes represented only 4.3% of France’s total taxes and social contributions in 2013. This is the lowest in the EU. Source: Eurostat

## Germany

### Children and young people: more opportunities and better educational outcomes

ESN's member, the German Association for Public and Private Welfare (Deutscher Verein), calls for the development of an overall strategy seeking better outcomes for children, which has been missing so far. The NRP should then reflect upon its implementation. Inclusive education is key. Disadvantaged students should be enabled to improve their educational attainment by developing personal skills and aspirations, irrespective of their family backgrounds. As an example for the better empowerment of young people in early childhood education, the National Strategy for literacy should be implemented with a broader scope. At the same time, social support services in schools, for example by bringing in social workers, need to be strengthened to facilitate the social inclusion of disadvantaged children. The target on fighting early school leaving should be more ambitious. Instead of the current 10% set by the Europe 2020 Strategy, a target of 6% should be encouraged in the mid-term.

### A more nuanced understanding of social exclusion

On the one hand, it is welcome that the German NRP acknowledges the role of long-term unemployment in the context of poverty and social exclusion, notably the impact of long-term unemployment on households and families. The integration of long-term unemployed into the labour market proves to be particularly challenging due to multiple barriers, such as skill mismatches, which prevent them from accessing employment. In this way, the introduction of an explicit target to reduce long-term unemployment by 20% is positive and the results achieved since 2010 in reducing long term unemployment are noteworthy. On the other hand, the lack of acknowledgement of other drivers of poverty and social exclusion, for example low wages, is too narrow given the complex interplay of causes and effects of poverty and social exclusion. To develop a more nuanced understanding of social exclusion, supplementary indicators such as material deprivation need to be taken into account and integrated more systematically into policy-making and service implementation. Overall, more ambitious poverty targets than the currently planned reduction in the number of long-term unemployed by 320,000 would be necessary in the light of growing inequality.

### Integrated approaches to active inclusion

Comprehensive active inclusion should be based on strategies including low-threshold accessibility to services, integrated approaches for people facing multiple barriers, and adequate resources for high-quality services. Such flexible strategies are missed in Germany's current NRP. This is regrettable as these strategies are seen as a suitable response for better individual outcomes through a focus on mid- to long-term quality employment and low-entry thresholds.

## Hungary

### Public Work Schemes at the heart of active inclusion

The Association of Social Work (3sz)<sup>47</sup> notes the relevance of discussing public work schemes (PWS) by both the European Commission and the national government<sup>48</sup>. However, more should be said about PWS's adverse effects. In disadvantaged areas, the share of PWS participants is considerably higher than other forms of employment, which generates a distorted employment context in local communities, between subsidised and non-subsidised forms of employment. Strong subsidies supporting PWS have distorted natural competition between economic actors. Moreover, PWS are flawed by low productivity and rarely lead to the creation of sustainable quality jobs.

### Rethinking child poverty

3sz agrees with the NRP that child poverty is an important dimension that should be addressed. The NRP has partially failed to define it and address its determinants, which amongst other causes can be found in families' employment situation. In the same context, the focus on in-kind benefits is criticised for its stigmatising effect on disadvantaged children, who receive such benefits against the background of their deprivation. The government should seek to create jobs, notably for materially deprived parents. Also, it is not clearly mentioned that the beneficiaries of the current child services model are often not those most in need, but rather mid- to high income families.

### Raising the profile of long-term care

3sz states that the CSRs fail to address long-term care issues. Despite the comparatively advantaged income position of older people, social inequalities between different groups of pensioners exist, based on different life expectancies and levels of private savings. Similarly, neither the country report nor the NRP adequately reflect long-term care policies, which have been subjected to budgetary cuts. Additionally, long-term care programmes carry a rather medical design and do not embrace the full extent of an older person's social needs.

### Addressing social determinants in education

The country report does not clearly reflect the extent to which the education system is influenced by social determinants like family background, unequal performance between schools, and geographical disparities. These impact heavily on educational pathways and school-to-work transitions. Moreover, the NRP should insist on the consequences of budget cuts on education. For young people, there is a lack of incentive to enter active inclusion programmes, for instance job coaching, as too few jobs are available.

### Improving the quality of life of Roma communities

The country report and the NRP accurately reflect the challenges facing the Roma community, such as poverty, unemployment, and the lack of education, but still fail to acknowledge other important dimensions such as housing problems, poor health, and geographical disparities regarding service infrastructure and unequal service availability.

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<sup>47</sup> Szociális Szakmai Szövetség or 3sz. <http://www.3sz.hu/>

<sup>48</sup> In the country report and national reform programme respectively.

## Ireland

### Housing, homelessness and poverty

The European Commission's country report does not address the housing situation. According to the Irish contributors to ESN's report<sup>49</sup>, housing has reached crisis point. Housing lists have increased by 42% on average from 2014-2015, with 42,000 people on the Dublin list alone, 17,500 of whom are children<sup>50</sup>. Numerous families are living night-to-night in hotels and cars. Homelessness should be combated with greater access to public social housing and housing support, such as rent supplement. Many social welfare recipients and low paid workers are unable to afford privately rented accommodation because rent supplements fall well below market rent levels<sup>51</sup>.

Child poverty remains high in Ireland, with 12% children living in persistent poverty in 2013. Greater measures should be taken by the government to improve the economic position of older people, as almost one in ten older people were at risk of poverty in 2013<sup>52</sup>.

### Care for children and older people

Ireland is developing an integrated care policy. Group members welcome this and recommend that more attention is paid to on-the-ground interaction between services. Placing the financial reform at the forefront can lead to neglecting the experience of frontline services. Access to and affordability of long-term care or home care services should be increased and improved. Currently, a lot of reliance is placed on family members to become carers, a labour pool that is expected to decrease given Ireland's demographic trends.

The access to childcare is limited and does not address the full scale of needs. Family friendly policies are limited and should be introduced to a more comprehensive level, for instance flexible working and the extension of maternity leave and benefits to fathers. This would help to create a real choice for families and reduce the impact on female labour market participation after having children. Subsidised childcare for working parents should be extended, as there is only one free year of pre-school at present.

### Labour market, quality education and employment

Targeted schemes aim to facilitate employment, such as the 'Ready to Work' Scheme<sup>53</sup>, funded by the Department of Social Protection, for homeless people; and the Back to Work Family Dividend for welfare recipients with children and those most vulnerable to being in a jobless household, i.e. the long-term unemployed and adults not in the labour market due to caring responsibilities. This scheme tends to focus on access to low-skilled, low-paid workforce participation, but measures should also be taken to improve longevity of work, and access to quality training and education to improve long-term careers.

The country report notes the "serious social challenges" generated by the high proportion of people living in households with low work intensity. Group members note that this is partially linked to Ireland's move from institutionalised to community-based care<sup>54</sup>, with more people with disabilities and mental health problems living at home, whilst the possible loss of certain benefits, e.g. medical card or rent supplement, could work against their return to work. Measures to encourage return to work should therefore promote equality, inclusion and true rehabilitation.

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<sup>49</sup> In this country profile, contributors from Ireland are referred to as "group members". They are Terry Madden, independent consultant; Dr. Mairead Finn, independent consultant, and Aideen McDonnell, senior mental health social worker.

<sup>50</sup> See 'City council would need to double its housing stock to house the waiting list', published in The Irish Times, 14.07.2015

<sup>51</sup> See 'Rental Costs in Ireland: The Evidence', in Public Policy Ireland, September 2015, and 'Review of the year: Housing shortage drove up rents, prices and homelessness', in Irish Times, 27.12.2014

<sup>52</sup> 9.2% of people aged 65 years and over were living on less than 60% of the national median income in 2013. Source: Age Action, June 2015.

<sup>53</sup> <http://www.bitc.ie/employment-programmes/employment-for-homeless-people>

<sup>54</sup> In June 2011, the HSE published the Report of the Working Group on Congregated Settings - "Time to Move on from Congregated Settings - A strategy for Community Inclusion". The report sets out what is now the agreed national policy for a new model for residential support in the mainstream community, where people with disabilities are supported to live ordinary lives in ordinary places. Source: Health Service Executive <http://www.hse.ie/timetomoveon/>

## Italy

### **Cuts in public spending have strongly affected public social services**

Although action was and is still required to curb the deficit and public administration's shortcomings, there is no doubt that public social services have been severely affected by austerity measures in a number of Italian regions, as noted by ESN member, the department for social welfare of the Lazio Region. Lazio believes that better targeting and evaluation of a number of measures could enhance their efficiency. To this end, a systematic and thorough gathering of data is key. Social services and citizens could benefit greatly from a clarification of competences nationwide, along with some standardisation across the country, to ensure equal access and quality in all regions.

Measures and policies targeted at children and families are characterised by major territorial disparities. For instance, only 22.5% of municipalities in southern Italy run nurseries and crèches (with extreme situations such as Calabria, where they only run in 9% of municipalities), while these services exist in 76.3% of municipalities in northern Italy. There are helpful measures, such as the "baby bonus" (a monthly benefit granted to low-income families); however, they do not provide a long-term solution to tackle child poverty and low female employment rate.

### **Investing in well-coordinated and quality services in the community**

It is important that Italy invests in community-based services throughout the country and implements common quality standards and assessments. This process, which is based on a social investment approach, could make a difference in both the quality of life and support delivered to all Italian citizens.

Investing in quality services at the local level could be preferable to money transfers. The same is true for other groups such as people with disabilities and older people, who could benefit from better-targeted support at home and social inclusion measures. In this regard, the improvement of training, quality standards and needs' assessments is key.

The Lazio Region calls for a European definition of a basket of basic services. As social services are mainly planned, managed and delivered at the local level, it is a shame that the CSRs fail to recognise the crucial role of the local level and remains focussed on the national level.

### **Youth Guarantee implementation**

The implementation of the Youth Guarantee has been met with difficulties and more momentum should be given to combatting youth unemployment. For instance, bureaucracy has caused delays in the payment of salaries to young people, with delays of several months in some cases. This jeopardises young people's effective inclusion.

## Latvia

### Involving local authorities in policy formulation

ESN Latvian member, the Department of Welfare of Riga City Council, agrees with the strong focus on social protection and social assistance in Latvia's country report and also with measures aimed at fighting social exclusion and poverty. However, they also recommend giving more attention to households with three or more children, as they remain at high risk of poverty despite a decline in recent years<sup>55</sup>.

The lack of specialised social workers at local level should be tackled. To address this issue, the ESN member thinks it is key to ensure the early involvement of local authorities, providers and social services directors in policy planning and implementation.

### Childcare services

The NRP rightfully addresses the relevance of financial support for parents to send their children to private pre-schools in a context where public schools encounter long waiting lists. However, the discontinuation of this financial support from 2016 onwards together with local authorities' lack of funding has not been sufficiently addressed. Planned expenditure to improve the adoption and foster care system has not been reviewed critically enough. This is regrettable as the national government will most probably not be able to meet the projected financial needs (EUR 4,734 million in 2016). The reason for this lies in budgetary consolidation measures of 0.4% of GDP as estimated by the European Commission for 2016.

### Child and youth participation in education and employment

Employment offices should undertake joint case management with education and social services to improve rehabilitation and motivation programmes for young adults. Likewise, early intervention and prevention efforts in schools need to identify and address the needs of young people at risk or in vulnerable life contexts. To do so, the government should seek to create a framework for interdisciplinary cooperation between the education sector and social as well as health services, so that schools can collaborate with kindergartens, children's hospitals and social workers.

### Shaping deinstitutionalisation at local level

The NRP and CSRs should better reflect on deinstitutionalisation policies locally and the cooperation between public authorities from national and local levels. Local authorities, who have a key role in managing and implementing services, should be more involved in designing policies (drafted at national level) towards person-centred social services for groups at risk of social exclusion. An example of this involvement could be participation in drafting guidelines for social services. While municipalities are said to be key stakeholders in this process, there is no certainty as regards to which public authority will bear the costs for deinstitutionalisation. For people with mental health problems and people with disabilities, this means increased difficulties. The access to services such as ambulatory mental health and supported employment remains challenging, and the planning and design of support measures should also involve employers.

### Roma, homeless and migrants

Neither the country report nor the NRP properly address the life circumstances of Roma and homeless. This goes along with the absence of an explicit programme or clear national policy guidelines, which hints at the dramatic lack of a targeted policy for these groups.

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<sup>55</sup> From 32.6% in 2012 to 27.7% in 2013, against 19.4% in 2012 and 21.2% in 2013 for the total population. Source: Central Statistical Bureau of Latvia, February 2015 (in English).

## Lithuania

Poverty has increased over the last few years, especially child and in-work poverty. Child poverty increased from 31.9% to 35.4% between 2012 and 2013. The Association of Local Authorities in Lithuania (ALAL), highlight the need of coordination between local and national levels in order to improve the situation of the most vulnerable.

### Reforming the social assistance system

ALAL notes that low wages do not incentivise people to access employment; for instance, the minimum income scheme (€102) is too low to cover basic needs. A positive aspect of the 2012 social assistance decentralisation reform is the possibility for benefit recipients to continue receiving social benefits for half a year after returning to employment. The reform has given more responsibility to municipalities in providing cash benefits and other forms of support. It aims to better target beneficiaries and assess local needs through newly created local special commissions. So far, this new flexible, targeted system has been met with high satisfaction from social workers and policy-makers, since it allows for the discussion of cases individually and provides tailored solutions. Although it is too early to fully assess the reform, official figures report a decrease in the number of social assistance recipients from 222,000 to 140,000 between 2012 and 2014, which is only partly explained by the improvement of the economic situation in the National Reform Programme (NRP). Other reasons may include emigration, participation in active labour market policies and other activation programmes, or improved financial situation. Therefore, it will be crucial to monitor the reform and its performance.

### Changing the care and support model

Youth and the long-term unemployed could also benefit from better coordination between the national and local levels and locally-designed solutions based on cooperation around employment, education and social agencies. In order to boost employment, especially women's, there is a need for childcare facilities and non-residential care services for older people, as 'informal' care, provided by family members is heavily relied on. Finally, there is also a need for horizontal coordination between formal and informal health and social care, which operate in silos, both in urban and rural areas.

### Deinstitutionalisation is a priority

The Association regrets that the NRP fails to acknowledge the need for speeding up the transition from institutional to community-based care and services, especially for the 4,000 children still living in 90 institutions<sup>56</sup> and for people with disabilities.

It was acknowledged that Lithuania has taken steps towards deinstitutionalisation. The 2012 national guidelines promoted a consistent and co-ordinated system of assistance, based on personalised, community-based services. A 2014-2020 action plan for the deinstitutionalisation of children and people with disabilities was adopted. Despite these positive steps, it remains unclear how the local level will implement this process. The Association of Local Authorities calls on the government to clarify the process, mostly in regards to financial and human resources allocation.

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<sup>56</sup> Source: Statistical Yearbook of Lithuania, 2014 (in Lithuanian and English)

## The Netherlands

### Decentralisation is transforming social services management and delivery

Since 2015, a number of responsibilities in the field of long-term care and youth care have been decentralised to municipalities by the Social Support Act and Youth Act. Faced with decreasing budgets and an expected increase in informal care, municipalities have to find alternative ways to provide accessible and affordable services. Another piece of legislation, the Participation Act, foresees that municipalities should support citizens and encourage them to participate more actively in society. ESN member, the National Association of Local Governments for Social Welfare (LCGW), notes that it is still unclear what level of support will be provided by the national level in order to implement this reform and therefore LCGW fears that the new system may not be tailored to support the participation of the most vulnerable in society.

Nonetheless, LCGW welcomes that it is now clear that the municipality is the authority responsible for managing and delivering services. This is coupled with the '*one family, one plan*' approach, according to which every family should only have a single support plan encompassing all kinds of support. This should help to avoid confusion of responsibilities and provide better-personalised care. The devolution of all matters related to youth care to municipalities follows the same integrated approach. Going further, LCGW suggests moving towards an integrated pedagogic environment for youth. With the local level taking the lead on social services, there is an opportunity for the national level to support this move by evaluating and promoting good practices in the field.

### Reducing the administrative burden

LCGW argues that administrative burdens are preventing social services from being efficient. For instance, the needs' assessment procedure and the list of items to be filled out in the various questionnaires requested to social workers could be shortened and focused on clients' actual needs first. Technology and better gathering and use of data could be used to support social workers and case management; for instance, to reduce time spent on administrative tasks and focus on providing quality care.

### Promoting quality employment for all

Despite a comparatively good labour market situation, long-term unemployment has been rising (from 21.6% in the last quarter of 2009 to 40.4% in the third quarter of 2014). LCGW calls for an improvement in the education and labour market situation of all groups, especially young people and people born outside the EU, who have been identified by both LCGW and the Netherlands country report drafted by the EC as the groups facing most difficulties. A shift in mind-sets and a serious debate on this issue should take place as the country still faces major challenges when it comes to integrating minorities.

The employment of people with disabilities is 37 percentage points lower than for other people: this represents the highest gap in the EU. This issue is partly addressed by the 2015 Participation Act, which merges and reforms several benefit schemes, while the government has limited entry into sheltered workshops, and social partners in public and private sectors have committed to creating 125,000 jobs for people with disabilities by 2026.

### Housing

Housing is an increasing problem in the Netherlands. As noted by the European Commission, "long-standing tax incentives [...] have encouraged households to become highly indebted by taking up mortgages<sup>57</sup>", while the rental market is "not functioning properly" because of problems in allocating social housing. Such a distorted housing market has created major inequalities, which should be addressed by affordable and accessible rental housing, especially for low-income households.

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<sup>57</sup> European Commission country report, Netherlands, 2015, p.1

## Poland

### **Weaknesses of the social protection system and the public administration**

Social protection in Poland is in great need of a deep restructuring, says ESN member IRSS (Polish Institute for the Development of Social Services). Both assistance measures and benefits as well as better social policy targeting are needed in order to support the most vulnerable, for instance low-income and large families. IRSS regrets that the “National Programme against Poverty and Social Exclusion 2020 - New Dimension of Active Integration”, adopted by the Government on 12 August 2014, has not been entirely translated into action yet, whilst there have been several attempts to amend the Act on Social Assistance. Deep-rooted causes, such as insufficient coordination between national, regional and local levels, and a general lack of cooperation at political level account for this situation; an additional effort is required in public administration to make sure that both legislation and the programme are implemented.

### **ECEC and long-term care: a government priority**

Since 2004, the availability of childcare services and pre-school education has moved in the right direction. Pre-school attendance has increased by 25 percentage points between 2004 and 2013, from 53.7% to 75.3%<sup>58</sup>, not least because of strong political will to increase female labour market participation. The issue of caring for an older relative remains, however, mostly unaddressed. In the field of demographic change and ageing, the Polish government has taken major steps, by setting up a dedicated senior citizen policy department within the Ministry of Labour and Social Policy, who then drafted a comprehensive strategy for 2014-2020. Poland is on its way to developing alternative forms of care, supporting deinstitutionalisation and improving the quality of care and carers' training. However, IRSS regrets that the NRP fails to acknowledge the major need for long-term care and respite care services for family members. Poland would also need a comprehensive reform of its social protection services in this area.

### **Employment of people with disabilities and long-term unemployment**

The NRP only marginally addresses the unemployment rate of people with disabilities, one of the lowest in the EU. According to IRSS, the lack of cooperation of employers and other services and the persistence of prejudice against people with disabilities at work are partly responsible for this situation. Another shortcoming related to employment in Poland is the handling of the long-term unemployed. The NRP fails to adequately recognise the need to complement activation measures with social measures and other forms support as this group faces multidimensional problems.

### **Sustainability of EU-funded actions**

Although there is no denying that the European funds, and the European Social Fund in particular, have helped public employment services to tackle unemployment, IRSS warns about the sustainability of the actions that they have helped to implement, as they will not replace structural long-lasting capacity-building measures.

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<sup>58</sup> Source: Declaration of Irena Woycicka, Secretary of State, July 2015.

## Portugal

### Poverty and the decentralisation reform

The economy is showing signs of improvement, but it is too early to see the impact on people's lives. Poverty indicators have deteriorated, with 210,000 more people are living at risk of poverty or social exclusion<sup>59</sup>. Unemployment and long-term unemployment have increased and cuts have been made in unemployment benefits. The Portuguese Association of Social Workers Professionals (APSS) notes that austerity has led to a reduction of welfare provision in a country where public investment in social affairs is traditionally low.

Current measures to rationalise and modernise the central, regional and local public administrations are important. However, they have often resulted in a severe erosion of services on the ground, impacting on the most vulnerable. Portugal needs a national anti-poverty strategy based on a thorough analysis of current challenges and available resources. Such a strategy should encourage preventative measures (e.g. for dependent older people), set clear objectives and be monitored. Indicators could include the at-risk-of-poverty and persistent poverty rates of children, working age adults and elderly, long-term unemployment, people living in jobless households, and early school leaving.

Quantitative objectives should be replaced by the provision of solutions targeted at those who need them, and of quality services throughout the country. Implementing integrated solutions would be beneficial, for instance to combat youth unemployment. As suggested by the International Labour Office (ILO), employment policies should be reformed towards more stability, notably regarding contracts and salaries<sup>60</sup>.

### Ensuring a uniform provision of social services throughout the country

The Portuguese government has been increasingly relying on NGOs and the non-for-profit sector, who historically have an important role in the Portuguese social protection system, to provide services. In this context of lower state responsibility, APSS wonders how to ensure equal access and quality of services for all citizens. A clear framework is needed for cooperation between the government, NGOs, local authorities, service providers and citizens. A new law<sup>61</sup> foresees the delegation of competences in the social field<sup>62</sup> to local authorities and supra-municipal entities. This reform has already raised doubts<sup>63</sup> about how to guarantee an adequate basic level of services throughout the country. So far, the law has been implemented through local pilot projects. A hope for the future is that learning lessons from these experimental initiatives will help create meaningful and significant involvement of local authorities. No information about these projects has been made available yet.

### Vulnerable groups are the first victims of austerity measures

Austerity has affected all age groups. Benefits have been cut for people with low income (RSI), older people (CSI), children (Abono de Familia) and unemployed people (reduced duration, tightening of eligibility criteria). Single parents and families with young children are particularly affected. Investment in long-term care services and community-based initiatives was slowed down. People with disabilities and mental health problems are affected in terms of accessibility of facilities, unfinished deinstitutionalisation, housing and access to the labour market. To avoid the medium to long-term effects of austerity, social investment measures must now be adopted, by increasing social protection against poverty, investing in prevention, education and long-term measures.

<sup>59</sup> In 2013 compared with 2012. It corresponds to a 2.1 percentage point increase, the highest in the EU. Source: European Commission's country report – Portugal, 2015.

<sup>60</sup> 'Rather than focusing only on budget cuts, there does seem to be room for manoeuvre to make fiscal policy more supportive of recovery. This will still be consistent with medium-term fiscal goals.', in *Tackling the jobs crisis in Portugal*, ILO, 2013 [http://www.ilo.org/global/research/publications/WCMS\\_228208/lang--en/index.htm](http://www.ilo.org/global/research/publications/WCMS_228208/lang--en/index.htm)

<sup>61</sup> Decreto-lei 30/2015, de 12 de Fevereiro <http://dre.tretas.org/dre/418339/>

<sup>62</sup> health, education, culture and social services and activities

<sup>63</sup> Notably amongst the National Association of Portuguese Municipalities (ANMP).

## Romania

### Governance provisions hinder public administration efficiency

ESN member, the Department for Social Affairs of Cluj Napoca<sup>64</sup>, broadly agrees with the European Commission's country report and their analysis of the socio-economic situation in Romania. The lack of autonomy at local level hinders public administration's efficiency, while there should be efforts to reduce bureaucracy and smoothen management processes. Moreover, ESN member highlights shortcomings in the way that resources are allocated from the national to the local level. This has a direct and negative impact on the way services are provided, and slows down necessary reforms, for instance, the development of home care for older people, or the transition to community-based care for children.

Poverty and the risk of poverty remain high, especially in rural areas or small towns, and for Roma communities. Therefore, ambitious, targeted measures are needed to improve the situation of vulnerable groups, in particular marginalised communities.

The 2014 National Strategy for protecting and promoting the rights of the child, also mentioned in the European Commission's country report, is welcome and is said to contain good measures and guidelines. However, in order to implement them, more financial resources need to be transferred to the local level.

### Community-based services for older people

Care for older people continues to rely mainly on family members. Home and community care are not accessible enough, affordable or even available to older people, thus Romania must invest in increasing the capacity of home care services. Moreover, the inclusion of older people in society must be encouraged beyond health and social care through community and leisure activities. To foster independent living for older people, Cluj is looking at a project for an integrated system of support services.

For children the transition from institutional to community-based care and the provision of community-based services is jeopardised by a lack of financial resources and specialised qualified workforce at the local level.

The ESN member regrets that local social services have not yet been evaluated along the needs of the community, thus hindering their optimal functioning. Social workers, in their daily work, have little power to implement these changes. There is a strong need for harmonising legislation and public policies that regulate interventions at community level.

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<sup>64</sup> Cluj-Napoca is the second biggest city in Romania.

## Slovakia

### Poor public administration performance affects all services provision

Although the European Commission did not renew its recommendation in 2015, implementing the 2014 CSR on public administration and the independence of the public civil service is deemed crucial for ESN's Slovak Reference Group member, the Department for Regional Development of the Kosice Region. The performance of public services continue to be affected by corruption, the inefficiency of the justice system and the lack of fully integrated strategies between the local, regional, and national levels (e.g. to improve the situation of Roma). The new Public Administration Act, which is to be amended in 2016, should help to address these issues.

### Social care and health care reforms

With regards to the reform of health and social care, financial considerations and the search for greater cost-efficiency should not lead to the overlooking of patients' and clients' needs and wellbeing. For example, fighting family and child poverty will be difficult without adequate funding and benefits, and job creation for parents. Similarly, the planned reduction of 13 state hospitals' indebtedness and their bed capacity is likely to be detrimental to patients, leading to the provision of minimum service and guarantees, as opposed to appropriate responses. Kosice states that the NRP does not mention patients when presenting the healthcare reform.

As mentioned in the Slovak NRP, the government's 2015-2020 national priorities in social services development aim to improve availability and quality of care services in the community, to promote deinstitutionalisation, and to fulfil the objectives of the Europe 2020 Strategy. However, the Kosice Region regrets that no long-term financial planning seems to have been introduced to ensure services' sustainability beyond the EU 2014-2020 funding period; for instance, those planned in the nationally agreed Strategy of Regional Development.

### Tackling the various dimensions of poverty

The increasing imbalance in wealth redistribution has contributed to growing poverty. In order to tackle poverty, including child poverty, priority should be given to fighting unemployment by creating sustainable jobs and reviewing income levels. According to the Statistical Office of the Slovak Republic, 69% of employed people earn less than 1,000 EUR a month. The average monthly wage is 964 EUR, and goes as low as 771 EUR in the Prešov Region. Creating quality jobs could result in better quality of life and better health. Active labour market policies and supported employment are useful measures. However, there is a need to adopt a longer term vision by tackling structural issues and creating sustainable jobs beyond the European funding period.

The economic and employment situation of Roma is worrying and needs a multidimensional response, combining inclusive education measures, employment measures for parents, and social support. For instance, 43% of Roma aged 16-24 are not in employment, education or training, which is four times the national average. Almost 40% of the Roma adult population is inactive<sup>65</sup>. A major problem faced by Roma is their limited access to credit, coupled with the predominance of loan shark activities<sup>66</sup>. Such financial aspects contribute to Roma's impoverishment<sup>67</sup>.

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<sup>65</sup> Inactive people are people outside of the labour force, meaning they are neither employed nor unemployed. Source of data: Country report Slovakia, European Commission, 2015.

<sup>66</sup> See 'Diagnostics and Policy Advice on the Integration of Roma in the Slovak Republic', World Bank, 2012 <https://openknowledge.worldbank.org/bitstream/handle/10986/16804/729850ESW0Whit0port09Sept20120Final.pdf?sequence=1>

<sup>67</sup> 'Inadequate income support may lead to taking out loans with excessive interest rates from non-bank financial institutions. Indebtedness then acts as one of the major disincentives to take up low-paid jobs as wages, contrary to social benefits, are not exempted from a seizure of property. As a result, large families (with more than three children), unemployed and single parents are most affected by poverty and social exclusion.' Source: European Commission, country report, Slovakia, 2015.

## Slovenia

### Social inclusion: national and local responsibilities

Although government guidelines for combating poverty and social exclusion have existed for years, they are met with major implementation gaps, ESN member the Association of Centres for Social Work in Slovenia (CCSW) reports. While the state has been pushing for a local, community-led approach to social inclusion, the 212 Slovenian municipalities were expecting more financial support from the state, as they are required by law to financially contribute to a number of services such as ECEC, all types of housing for older people, home care and assistance, and safeguarding centres for female victims of domestic violence. This contradiction jeopardises the financing of social inclusion measures at local level, which are also challenged by the absence of the long-awaited reorganisation of Slovenia's 62 centres for social work<sup>68</sup>.

### Children and youth

Following an increase in child poverty<sup>69</sup>, the reform enacted in September 2014<sup>70</sup> has eased the conditions to access social benefits for single-parent families, families with school-age children and large families, older people who are recipients of social transfers and other vulnerable groups. In certain cases, subsidising activities or meals has been preferred to direct cash benefits, as they have been deemed to benefit the child more directly.

### Long-term care: still a lack of legislation

Healthcare and long-term care reforms are rather opaque. Although they have been in preparation for several years, they have not been translated into a formal plan yet. Legislation has limited home care to 4 hours a day. Care at home is often taken over by relatives. This context calls for a reform and the introduction of legislation in the long-term care sector, as stressed by CCSW.

### Disability: progress for children, *status quo* for adults

The employment of people with disabilities and mental health problems has not improved. Transition from institutional to community-based care is standing still following budgetary constraints. The situation is particularly alarming for the significant number of children still living in institutions. Despite this, Slovenia has successfully implemented a program of gradual integration of children with disabilities in regular elementary schools by providing additional technical and educational assistance. The law passed on 1<sup>st</sup> September 2013 promotes their integration into mainstream schools and extends the possibility for people with learning disabilities, including severe ones, to receive an education until the age of 26. Moreover, increased cash transfers (100 or 200 EUR per month depending on the severity of the disability) and a care allowance for parents with a disabled child have provided families with additional support.

### Homelessness

Homelessness has increased drawing media's attention to the increase in the number of evictions due to rent arrears. In the five largest Slovenian cities, social services provide accommodation, homeless shelters and public kitchens. In smaller, remote areas, another kind of social services support (food donations, and accommodation in larger units) has developed with the help of NGOs. The state has taken the lead in renovating vacant state-owned apartments for evicted or homeless individuals and families. However, with only 13 such housing structures available and 183 families evicted in 2015, the challenge remains.

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<sup>68</sup> Plans for this reorganisation include: integrating 62 centres into 15 regional centres, clarifying competences, better user involvement, introduction of common standards for services throughout the country, and eventually, increase efficiency. Source: CCSW.

<sup>69</sup> The rate of children at risk of poverty or social exclusion (as a% of people aged 0-17) went from 15.3% to 17.5% between 2008 and 2013 (source: Eurostat, in European Commission country report, Slovenia, 2015).

<sup>70</sup> Act Amending the Social Assistance Benefits Act; Act Amending the Exercise of Rights to Public Funds Act, both in force since September 2014.

## Spain

### Regional governments at the forefront of social services' implementation

In the context of the **Excessive Deficit Procedure**, Spain has been required to bring its national deficit below 3% by 2016. ESN members, the departments of social affairs of several Spanish regional governments, note that significant cuts have taken place in social services, for which regions and municipalities are responsible (EUR 5 million in the last 3 years). They fear that this trend will continue, with the state government announcing a national objective of a deficit reduction below 2.2% of GDP in 2016, while the regions will have to manage a deficit below 0.3% GDP. Regional budgets need to be redefined but regions still need to use the resources they have left to implement a wide range of services, ensuring equal access and quality. There is a need to look at efficiency gains elsewhere such as reducing overlaps between different levels of government.

### Impact of reforms and austerity

ESN members pointed out the decline of the notion of the welfare state, characterised by increased precariousness and growing numbers of those at-risk of poverty and social exclusion. They doubt that the planned administrative reform, which includes a reduction in local competences and the devolution of a number of competences to higher administrative levels, will bring any improvement when greater coordination on the ground is needed. In order to prevent the situation from worsening, ESN members recommend the introduction of a minimum income scheme that would allow the most deprived families to cover their basic needs, without having to rely on charitable support. It would be conditional on people's participation in activation programmes. Inequality has risen in the labour market<sup>71</sup>, and so has labour market segmentation and low-paid, part-time, short-term jobs, as shown by the multiplication of temporary employment agencies. Unfortunately, only short-term measures have been taken, such as bonuses for businesses implementing training contracts which, ESN members fear, might not lead to sustainable job creation. As for measures targeted at the long-term unemployed, they only last for 6 months and fail to grasp the multiple aspects of the phenomenon.

### Child poverty and education: a need for action and reform

ESN members also highlight that child poverty increased by 3.1 percentage points between 2008 and 2011<sup>72</sup>, while the percentage of children in families where all adults are unemployed rose by 290% between 2007 and 2013<sup>73</sup>. Despite several programmes and plans (including strategies on Roma integration, homelessness, social inclusion and youth), concrete steps for coordinated action and implementation are missing. The quality and inclusiveness of education is also at stake. While the EC and the Spanish government expect that the new Organic Law for the Improvement of the Quality of Education (LOMCE) will provide solutions, our members point out to the fact that the law has been contested by professional and parents associations and major shortcomings were identified because of the lack of provisions for young people entering non-mandatory education.

### Long-term care and demographic ageing: need for a new preventative model

The NRP fails to address dependency prevention and care needs, although the government should tackle this issue, especially since it could bring a significant economic value in terms of job creation. ESN members suggest reviewing the whole model of care for dependent older people, by focusing on prevention, independent living and active ageing, improving coordination between health and social services, the use of ICT for disadvantaged groups, and promoting inclusive housing strategies.

<sup>71</sup> See *In It Together, Why Less Inequality Benefits*, OECD, May 2015

<sup>72</sup> Source: *VIII Informe del Observatorio de la Realidad Social*, Cáritas, 2013.

<sup>73</sup> Source: Eurostat, 2013, quoted in UNICEF, *La Infancia en España*, 2014.

## Sweden

### Low employment levels and increasing reliance on benefits amongst migrants

ESN's member, the Association of Directors of Social Services (FSS), notes that in recent years there has been a larger number of recipients of social benefits, who remain on benefits for longer notably due to unemployment. This, combined with growing socio-economic gaps, represents a challenging situation for public social services and the Swedish social welfare model in general.

The situation is particularly challenging when it comes to unaccompanied minors and migrants. Due to the low levels of participation in the labour market amongst migrants and the increasing length of their reliance on social services and benefits, FSS has warned of the incapacity at local level to build long-term solutions for these vulnerable groups, and the need for support to do so at national level.

### A government-led housing policy is needed

Housing represents a burning issue in the country as it concerns an always greater part of the population, and not just the most vulnerable. FSS regrets the absence of an active government-led housing policy that would help to provide enough, affordable and socially inclusive housing solutions, thus counter-balancing private market forces. To this end, FSS recommends a closer cooperation between the government, local authorities and building and housing companies, and stronger government incentives to build flats even in areas considered as less desirable.

### Education

FSS regrets that discussions related to the education system have tended to concentrate on the division of responsibilities between local and national authorities. However, the most worrying issue is the relatively poor educational attainment of Swedish students, the low levels of basic skills and the high levels of unemployment amongst low-skilled young people, especially those with a migrant background. This situation is described accurately in the European Commission's country report. According to FSS, there should be a focus on improving teaching and learning contents.

### Long-term care

It has been acknowledged that Sweden will face an increase in the number of older people after 2020<sup>74</sup>, which represents a challenge both from a financial and a services perspective. FSS insists on the need for prevention by stimulating new ways of providing services, which are more evidence and IT based, developing new models of integrated social planning, and building accessible flats for older people. FSS also highlights the need for national regulations to increase carers' competences, alongside a financial plan to improve recruitment and training.

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<sup>74</sup> Sweden expects the number of people over 80 years old to double between 2020 and 2060, to reach 600 000, i.e. twice as much as in 2012. Source: The future population of Sweden 2012–2060, Statistics Sweden, 2012.

## United Kingdom

### Governance: impact of the crisis on public social services and social inclusion

The reforms of social security benefits and tax credits are beginning to have an effect on families. The reliance on food banks and increased demand for temporary accommodation<sup>75</sup> are examples of the impact, says ESN member, the Association of Directors of Adult Social Services in England (ADASS), who also notes that “cutting welfare without addressing the economic causes of poverty in the UK will mean many families on low incomes [will] face increased hardship and insecurity<sup>76</sup>”.

The NRP describes a thriving economy, improvements in the lives of UK residents and a decrease in the number of welfare recipients, indicating that the UK is on track to achieve its social targets for 2020<sup>77</sup>. However, the NRP is silent on the fact that for those who have not returned to work or have not found work, there will be a shortfall between benefits and living costs that is likely to be devastating. ESN’s Social Work Scotland, stresses that further reductions in welfare benefits announced by the UK government will strongly impact on poverty levels.

### Addressing poverty

The EC report acknowledges that continued concern about the level of poverty and deprivation in families does not appear to be addressed, says ADASS. Women are particularly affected, as shown by a Scottish report<sup>78</sup>. The report recommends integrated approaches to job-seeking, which are seen as a must if local authorities are to survive these cuts<sup>79</sup>. Despite initiatives described by the NRP aimed at making a difference in the quality of life of children and families, child poverty is set to increase over the coming five years<sup>80</sup>. The Scottish government has been very active in developing ECEC as a means to tackle poverty and increase employment, says Social Work Scotland.

### Bringing young people into work

The NRP sets out a number of initiatives that have reportedly had an impact on overall youth employment, yet at the same time have been subject to budgetary cuts. ADASS regrets the cuts made to the Youth Contract<sup>81</sup>, without alternative plans or programmes in place to continue to tackle the issue of youth unemployment. In the Scottish context, it is deemed important that both the country report and the NRP closely monitor the results of youth employment measures arising from Developing the Young Workforce - the key national strategy to address youth unemployment and skills mismatches.

### Addressing a challenging housing market

The EC country report addresses the challenges around housing, including both the lack of housing and the gap in the provision of affordable and adapted housing for vulnerable groups, such as older people, social welfare recipients, people with disabilities, young people leaving care. These gaps put local authorities, notably in big cities, under considerable pressure to provide appropriate accommodation in the numbers required to meet demand. Despite the key role of local authorities in the housing market, their involvement in policy formulation has been rather scarce. ESN UK members recommend that the state shift subsidies away from housing benefit towards an increased supply of genuinely affordable housing, and support local authorities (through grants) to build and acquire more housing that can meet the growing demand for temporary accommodation, which has been the biggest drain on the local authorities.

<sup>75</sup> Councils are required by law to provide temporary accommodation (TA) for homeless people.

<sup>76</sup> Source: Joseph Rowntree Foundation, in a response to a speech by the Prime Minister David Cameron, 23 June 2015. See <http://www.theguardian.com/politics/blog/live/2015/jun/22/cameron-sets-out-his-one-nation-mission-in-a-speech-politics-live>

<sup>77</sup> The United Kingdom has not set any target in relation to employment, early-school leaving and tertiary education. Its poverty target is not quantified (‘less people should be at risk of poverty or exclusion’).

<sup>78</sup> See report by Holyrood’s Welfare Reform Committee, *Women and social security*, 6<sup>th</sup> July 2015.

<http://www.scottish.parliament.uk/parliamentarybusiness/CurrentCommittees/91066.aspx>

<sup>79</sup> “Job seeking support should be integrated across health, housing and social care”, report by Holyrood’s Welfare Reform Committee, *Women and social security*, 6th July 2015.

<sup>80</sup> From 3.6 million to 4.3 million by 2020. Source: Child Poverty Action Group, *Child poverty facts and figures*, 2015.

<http://cpag.org.uk/child-poverty-facts-and-figures>

<sup>81</sup> Subsidies to employers within the youth contract ended in August 2015 instead of September. This decision was justified by the government by the fact that youth unemployment had fallen significantly.

## 5. Conclusion

In the context of a renewed emphasis on cooperation between economic and social policies, and between the European Commission (EC) and Member States (MS), the European Union set up the European Semester process. Additional examples of this cooperation are found in bilateral meetings between the EC and MS to discuss the National Reform Programmes (NRPs), and the negotiations held prior to the adoption of the European Structural and Investment Funds operational programmes for 2014-2020. As a matter of example, any action implemented in this framework has to “be consistent with National Reform Programmes and should address the relevant reforms identified through Country-specific Recommendations in the European Semester<sup>82</sup>”.

Despite this search for greater consistency and dialogue with Member States, a lack of consultation on the National Reform Programmes with the social affairs departments of regional and local authorities has been identified by ESN’s Reference Group on the European Semester. With a view to creating more ownership of the process, this is an issue that needs to be addressed.

There are a number of recurring themes across the countries analysed, such as the fact that financial sustainability seems to outweigh other objectives, including ensuring equal access to social and healthcare services; access to childcare for children from disadvantaged backgrounds; a clear need to further develop long-term care provisions, and, in particular, to improve the availability and quality of home and community care services, and to provide adequate training to carers.

Looking at the impact of the financial crisis, the Group referred to housing exclusion as an increasingly prominent issue. Problems related to housing are not limited anymore to the most vulnerable groups and increasingly concern more people from middle classes. The European Structural and Investment Funds – in particular, the European Social Fund (ESF) – have been demonstrated to play an increasingly important role in financing social services. While this is seen as a positive development, it also raises concerns around the long-term sustainability of these services beyond 2020.

Key questions have been raised regarding the adequacy of the CSRs and the NRPs in addressing the main socio-economic challenges of the countries featured in this report. Specific concerns include a decrease in the number of CSRs in the area of social inclusion and that the range and importance of the role of local public social services has not been satisfactorily captured. This may be understood in the context of the EU’s tendency to adopt a narrow understanding of social inclusion, which seems to be increasingly interpreted as labour market integration. Therefore, there is a need to develop broader social inclusion strategies along the lines of the concept of social sustainability, meaning that social policies should aim not only at including people in the labour market but at improving people’s overall quality of life.

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<sup>82</sup> See ‘Refocusing EU Cohesion Policy for Maximum Impact on Growth and Jobs: The Reform in 10 points’, EU Press release, 19 November 2013.

## 6. Annexes

### 6.1. Glossary

#### Glossary

##### **Alert Mechanism Report**

It is the starting point of the macro-imbalance procedure (an economic surveillance procedure). Based on a scoreboard of indicators, it is a filter to identify countries and issues for which a closer analysis (in-depth review) is deemed necessary.

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

The AGS launches the European Semester. It is the first step of the cycle. It sets out the broad EU economic priorities for the year to come, based on the analysis of the economic and social situation in Europe.

##### **Country report(s)**

Analytical documents (one per Member State) from the European Commission. Published in February, they analyse the economic situation in Member States and include in-depth reviews for the 16 Member States experiencing the **Macroeconomic Imbalances Procedure**. They replace previous **Staff Working Documents**.

##### **Country-specific Recommendations (CSRs)**

Individual recommendations given to Member States in the context of the European Semester. Their content varies for each country according to the challenges and priorities identified by the Commission services. They are drafted by the European Commission and adopted by Member States in the Council in June. The accompanying **Country report** develops the issues raised in the CSRs and other issues which appeared when assessing each country's national programme.

##### **Europe 2020 Strategy (or EU 2020 Strategy) and targets**

The EU's ten-year growth and jobs Strategy, launched in 2010. It revolves around five headline targets covering employment; research and development/innovation; climate change/energy; education, and social inclusion/poverty reduction. It is supported by seven flagship initiatives in the fields of innovation, the digital economy, employment, youth, industrial policy, poverty and resource efficiency.

##### **EU 2020 Strategy indicators**

They are used to measure the progress towards EU 2020 Strategy headline targets. Among them, four relate to poverty and social exclusion: people at risk of poverty or social exclusion; people living in households with very low work intensity; people at risk of poverty after social transfers; severely materially deprived people<sup>83</sup>.

##### **European Semester**

Cycle of economic policy coordination among Member States. National targets set by Member States in the context of the EU 2020 Strategy feed into the European Semester process.

##### **European Structural and Investment Funds (ESIF)**

There are 5 EU structural and investment funds for the 2014-2020 funding period: European Regional Development Fund (ERDF), European Social Fund (ESF), Cohesion Fund (CF), European

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<sup>83</sup> Full definitions and options are available in the Eurostat database under the "Europe 2020 indicators" tab.

Agricultural Fund for Rural Development (EAFRD), European Maritime & Fisheries Fund (EMFF). They are governed by a single set of rules, whose purpose is to reinforce their link to the Europe 2020 Strategy and improve coordination.

### **Excessive Deficit Procedure**

Process through which Member States try and correct excessive deficits, defined by the Treaty as 3% of deficit to GDP and 60% of debt to GDP. Currently, 9 Member States are subject to the EDP (there were 11 in 2014 and 24 in 2011).

### **Macroeconomic Imbalances Procedure**

A surveillance mechanism aimed at preventing and correcting excessive public deficits in EU Member States.

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

Document drafted by each Member State, presenting its policies and measures to reach the EU 2020 Strategy targets. The NRP is presented in parallel with the Stability or Convergence Programme<sup>84</sup>, which sets out the country's budgetary plans for the coming three or four years.

### **Stability and Convergence Programmes**

*See Stability and Growth Pact; National Reform Programme.*

### **Stability and Growth Pact**

Framework for the coordination of national fiscal policies in the EU, established to safeguard sound public finances. The prevention side is ensured by the analysis of Member States' medium-term budgetary plans (the "stability" or "convergence" programmes), while the corrective aspect is made operational by the **Excessive Deficit Procedure** (EDP).

### **Staff working document (SWD)**

Until 2014, SWDs (one per Member State) were published with the CSRs. They explain the rationale behind each CSRs. In 2015, they were replaced by **country reports**.

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<sup>84</sup> Stability Programmes are submitted by euro area Member States, while Convergence Programmes, which also contain monetary strategies, are submitted by non-euro area Member States.

## 6.2. Useful resources

The European Semester 2015 page featuring all NRPs and CSRs

[http://ec.europa.eu/europe2020/making-it-happen/country-specific-recommendations/index\\_en.htm](http://ec.europa.eu/europe2020/making-it-happen/country-specific-recommendations/index_en.htm)

Fact sheet on Country-specific Recommendations for 2015 [http://europa.eu/rapid/press-release\\_MEMO-15-4968\\_en.htm](http://europa.eu/rapid/press-release_MEMO-15-4968_en.htm)

Connecting Europe to local communities: The view of local public social services on the European Semester 2014, European Social Network, 2014. <http://www.esn-eu.org/news/527/index.html>

A New Start for Europe: My Agenda for Jobs, Growth, Fairness and Democratic Change, Political Guidelines for the next European Commission, Jean-Claude Juncker, 15 July 2014.

[http://ec.europa.eu/priorities/docs/pg\\_en.pdf](http://ec.europa.eu/priorities/docs/pg_en.pdf)

The European Commission's dedicated webpage on Europe 2020, with targets and national profiles

[http://ec.europa.eu/europe2020/index\\_en.htm](http://ec.europa.eu/europe2020/index_en.htm)

The Social Investment Package and accompanying documents

<http://ec.europa.eu/social/main.jsp?catId=1044&langId=en&newsId=1807&moreDocuments=yes&tableName=news>

The content of this report is based on the answers provided by the members of ESN's Reference Group on the European Semester to ESN's questionnaires. 23 members from 22 EU countries analysed their National Reform Programmes, the European Commission's country reports and Country-specific Recommendations for 2015, with the view to identify social policy priorities for 2016's European Semester process.

The Reference Group was launched in September 2014. It aims to give visibility to social issues and the challenges faced by public social services at local level within the framework of the European Semester – the cycle of economic and social policy coordination between EU Member States.

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