

The 2017 Country-Specific Recommendations

A short analysis of CSRs on Employment, Education and Social Protection

I. Introduction

The European Semester cycle promotes policy coordination among national governments and EU Institutions. The last Semester was launched in November 2016 with the publication of the European Commission's Annual Growth Survey (AGS)¹. The AGS sets out the priorities for reform that the Commission believes are needed to promote economic growth and stability across Europe. In February, the Commission published the Country Reports analysing the economic situation and reform agendas of each Member State. In April, governments published their National Reform Programmes (NRPs) outlining the reforms and initiatives they plan to take and have taken and in May, the European Commission and the European Council analysed the NRPs and replied to Member States with Country-Specific Recommendations (CSRs)².

Country Specific Recommendations are made to each Member State (with the exception of Cyprus and Greece which are subject to an "economic adjustment programme"). They lay out the measures national governments should take within a period of 12-18 months in order to reach the goals set on the Europe 2020 Strategy³ (such as employment rate at 75%, reduction of poverty with 25%, school drop-out rates below 10%) and to maintain economic stability and growth.

II. Developments in the approach to CSRs

Since 2015, the European Commission reduced the number of recommendations only covering key priority issues of macro-economic and social relevance that in their opinion require Member States' immediate attention. The 2016 and 2017 recommendations follow this approach. They have a narrow focus and their number and their degree of specificity differ between Member States depending on the nature and the extent of the reforms.

The Communication from the Commission on the Country Specific Recommendations of 2017 acknowledges Europe keeps moving ahead after the crisis as in 2016 there was a total growth of 2 per cent in Europe. In the spring analysis done by the EC, public finances showed improvement while debt decreases. However, the EU remains affected by the effects of the crisis and has still a weak productivity. On these regards, the Commission

¹More on Annual Growth Survey at http://ec.europa.eu/europe2020/making-it-happen/annual-growth-surveys/index_en.htm

²Country Reports, National Reform Programmes and Country Specific Recommendations are available on the European Commission website at http://ec.europa.eu/europe2020/making-it-happen/country-specific-recommendations/index_en.htm

³More on Europe 2020 Strategy at http://ec.europa.eu/europe2020/europe-2020-in-a-nutshell/index_en.htm



affirms the economy should be more competitive, resilient, inclusive and innovative and uses this argument as basis upon which formulates its recommendations to Member States for 2017.

In order to formulate the concrete recommendations addressed to each Member State, the Commission takes into account each country's socio-economic situation and challenges currently faced. The EC calls upon reforms into the public administration to boost investment. These reforms are formulated now with a long term approach looking at **social infrastructures, education, early childhood education, long life learning and care**. The Commission states **social priorities must be a key part of the reforms' objectives and refers to structural reforms needed to foster social justice and address income inequalities**. Given the social character of the reforms needed, the European Commission mentions in their analysis of the CSRs for 2017, the **European Pillar of Social Rights as compass and guide** for these issues. From now on, the **analysis and reforms stipulated under the CSRs and hence, in the European Semester, will reflect the principles of the Pillar by analysing whether Member States are taking actions towards their implementation**. They will still be based on the Annual Growth Survey priorities given prior in November of each year.

In 2017, the Commission has consulted Member States for the first time about the drafts of country reports published in February. This action has been taken with the aim of increasing ownership of the reforms by Member States. National social partners are given increasing relevance on the process and Member States are asked to pay special attention to their contributions, increasing their involvement in the elaboration of the National Reform Programmes.

The EC confirms that, although reforms have taken place in fiscal policies and efforts to sustain the pension systems have been made, between the areas where Member States have made less progress are health and long term care. In 2016, labour market reforms and social policy focused advancements were made in Member States although high level of unemployment and inequality remain.

Italy, Cyprus and Portugal have been identified by the Commission as experiencing remarkable imbalances that will need special focus. The main objectives of the recommendations issued in 2017 are job creation and growth together with looking at social fairness. Depending on whether a Member State experiences greater or lesser imbalances, recommendations require urgent policy action or more targeted and specific actions.

III. Key recommendations in the field of employment, education and training

High level of unemployment persists in the European Union and needs to be addressed. On these terms, reforms in the labour market have been put in place by various Member States following concrete recommendations specially on youth and long term unemployment. Inclusive and active labour market policies are a priority in Belgium, Bulgaria, Ireland, Italy, Lithuania, Hungary, Portugal and Romania, while social policies are key in Bulgaria, Lithuania and Spain. **In other countries like Germany or The Netherlands where unemployment is not a challenge, wage increases should be put in place.**

Temporary forms of employment have increased having a direct effect in social protection, training and employment services. These new forms of employment do not contribute to the final objective of creating quality jobs. The gender gap in employment continues to be a challenge in some Member States, especially in *Estonia* where a specific recommendation has been issued on this issue, together with integration of population of migrant backgrounds into the labour force for example in *Belgium, France, the Netherlands, Austria and Finland*.

Pension reforms, labour market policies, lifelong learning and health policies should be combined in policy making at EU level in order to support the demographical change by which Europe will need to have a more population. Member States such as *Latvia* should implement reforms on their health systems allocating more resources.

With regards to vocational education and training, **France has received a concrete recommendation to revise its system of vocational education and training** and **Latvia to up-skill the labour force by speeding up the curricula reform in vocational education.**

Skills are one of the main focuses of the current European Commission as part of investing in human capital. Investing in skills have a positive turn out in employment opportunities helping active ageing and productivity, affirms the Commission who says that **improving the labour market relevance of education, vocational education and training, tertiary education and life-long learning is needed. Reducing inequalities in access to education for vulnerable groups is emphasized** by the EC as one of the main priorities within the challenges faced on education. Austria, Belgium, Bulgaria, Spain, France, Lithuania, Cyprus, Croatia, Hungary, Austria, Romania, Slovakia and the United Kingdom have received concrete recommendations on education issues.

IV. Key recommendations in the field of social protection and services

The Commission highlights **social protection systems must be inclusive and provide services to all and support to those in need. Income inequality and poverty are the main challenges to be addressed.** In order to do so, the EC states **equal access to education and health care**, improved labour market opportunities and earnings prospects, **affordable quality services** and well-designed tax and benefit systems are needed. New socio-economic inequalities in education and health outcomes have been identified in some Member States and should be taken into account in economic policies design.

The EC has issued a **recommendation to Ireland with regards to improvements in its social infrastructure, including social housing and quality childcare.** Spain should also improve access to quality childcare.

V. What next? What relevance for EPR members?

It is now up to national governments to respond to these recommendations and translate them into policies and services and ensure the effective implementation of the reforms announced. Many recommendations relate to areas of work of EPR members, and could be used to promote the need to invest in their services. EPR member organisations are invited to explore the potential of the 2017 recommendations given to their government and engage with public authorities to improve the service provision, showing how they can support governments to respond to the recommendations, and reminding them of their obligations.

VI. EPR References

[EPR Online Platform on European Semester Mechanism](#)

EPR analytical paper 2015:

[The impact of the European Semester and the UNCRPD on the right to work for people with disabilities](#)
[European Employment Policies and Initiatives](#)