

SOCIAL RIGHTS MONITOR 2020



solidar



TOGETHER FOR
SOCIAL EUROPE

FEPS
FOUNDATION FOR EUROPEAN
PROGRESSIVE STUDIES



TABLE OF CONTENTS

FOREWORD	3
INTRODUCTION: EUROPEAN TRENDS	5
BELGIUM	13
BULGARIA	25
CROATIA	35
CZECHIA	49
DENMARK	59
ESTONIA	67
FRANCE	81
GERMANY	95
GREECE	105
HUNGARY	115
ITALY	125
NORTH MACEDONIA	141
THE NETHERLANDS	153
SERBIA	163
SLOVAKIA	175
SPAIN	183
THE UNITED KINGDOM	195
DEDICATION	216



FOREWORD

The European Pillar of Social Rights was engendered in the aftermath of a dramatic global financial crisis that also caused an existential crisis for the eurozone. The Pillar was conceived as a systemic initiative to strengthen the social dimension of the European project, and it had a double purpose: first, to rebalance European integration and reduce social inequalities between and within countries and between generations; second, to build up our welfare systems for the 21st century and cope with the current global challenges of climate change, digital transformation, globalisation, ageing and migration.

After other initiatives to develop the European social dimension, notably the European employment strategy enshrined in the Amsterdam Treaty in the 1990s and the Lisbon Strategy reflected in the Lisbon Treaty after 2000, the European Pillar of Social Rights is based on more-ambitious features. These include an advanced concept of citizenship for all European citizens; the mobilisation of the full box of European instruments from European law and finances; an open method of coordination; and trade agreements. The Pillar is also an explicit attempt to set a new direction for economic policies that go beyond the myopia of austerity. Furthermore, it is based on a proclamation by all European institutions at the highest level which was issued in Gothenburg on 17 November 2017. The only similar achievement in the past was the European Charter of Fundamental Rights, which is now included in the EU Treaties.

While we were shaping this European Social Pillar and turning it into a concrete action plan, we never thought that we would be confronted with an unprecedented crisis, the Covid-19 pandemic, with all its dire social and economic consequences. This crisis, taking place in conjunction with the climate emergency and a

profound crisis in our democracy, is a crucial moment at which to bring about the promise of our Social Pillar. Firstly, it can help to save lives and jobs and counter a downward spiral into recession; and secondly, this is a moment to use the Social Pillar as a springboard to rebuild our societies for a better future.

In order to save lives, we need to ensure universal access to health services and to care services. The workers deploying their efforts in these services must be strongly supported and valued. The health and care systems must be developed and coordinated at European level, starting with access to Covid-19 vaccines and treatments – which should be the founding act of a European Health Union. This is also a crucial initiative to ensure greater gender equality, as care work remains mainly an invisible and vital contribution provided by women. Social protection against disease, against unemployment and in retirement must be provided as a universal right for European citizens. Hunger and housing deprivation cannot be allowed to return to European societies. A European Child Guarantee must be the first line of defence of human dignity.

In order to save jobs, we need to ensure healthier working conditions that protect people from the pandemics, as well as a decent labour contract for all workers, in all companies and sectors, including those in telework and working from platforms. With the EU mechanism “SURE”, short-time work schemes must be available to prevent massive layoffs, while new jobs must be created in activities responding to new social needs: in education, health, care, housing, mobility, agriculture and energy production, which needs to conform to the new greening requirements. Training all citizens in digital skills so they can produce and use new digital solutions is a new right – if not a duty – for the 21st century.

The upcoming National Recovery Plans provide a unique opportunity to overcome the recession and to rebuild our societies in a more inclusive and sustainable way. These Plans must be able to count on a new direction for national and European budgets, which should be financed by a new direction in our taxation systems. Those who pollute, engage in financial speculation or benefit from extra profits, particularly in the digital area, should pay their

fair share of tax: avoidance is simply unacceptable, particularly in these hard times. This a pre-condition to finance a welfare system for the 21st century.

This Social Rights Monitor organised by SOLIDAR is an invaluable instrument to follow what is really happening on the ground across Europe and why we have compelling reasons to act.

Maria João Rodrigues

FEPS President

European Parliament rapporteur and the inter-institutional negotiator of the European Pillar of Social Rights



INTRODUCTION: EUROPEAN TRENDS

The second edition of SOLIDAR's Social Rights Monitor provides an insight into the state of social rights in different European countries. This edition reports on 14 countries from the European Union – Belgium, Bulgaria, Croatia, Czechia, Denmark, Estonia, France, Germany, Greece, Hungary, Italy, Slovakia, Spain and the Netherlands; two candidate countries – Serbia and North Macedonia; and one member that left the EU in 2020, the United Kingdom. The 2020 Monitor assesses the state of social Europe in terms of equality of opportunities, fair working conditions, social protection, inclusion and civic space. It does so on the basis of observations of National Strategy Groups (NSG) set up in each of the 17 countries by a SOLIDAR member or partner. These groups pool the expertise of civil society organisations, academics and experts in the field and support this with statistical data and scientific findings.

In the midst of a worldwide pandemic, public health and economic concerns have been pushed to the centre of attention. However, social rights are also under severe pressure as a result of Covid-19 and the measures introduced to combat it. Our National Strategy

Groups observed that existing inequalities – in terms of income, job security, access to health-care and essential services – have been exacerbated by the pandemic. SOLIDAR fears that, in the fight against the virus and its economic damage, progress made since the economic crisis of 2008 will be reversed. We must not strive to return to normal, but instead implement a just transition to create a new normal that is fairer, more sustainable, more inclusive and more equal for all. SOLIDAR's National Strategy Groups warn that the concerning trends of increased limitations on civil-society freedoms and attacks on the free press have continued and intensified over the last year, sometimes under the guise of Covid-19 measures.

Finally, the 2020 Monitor assesses the extent to which these issues have been addressed by the 2020 Country Specific Recommendations of the European Semester process. Especially now that the Semester process has been merged with the Recovery and Resilience Plans, we consider it of utmost importance that these recommendations guide Member States towards a socially sustainable recovery after the Covid-19 crisis.

	2018	2019
GINI index ¹	30.8	30.7
Unemployment ²	6.8%	6.3%
Gender Equality Index ³	67.4 (2019)	67.9 (2020)
In-work poverty ⁴	9.4%	9.2%
Housing Overcrowding ⁵	15.5%	15.6%

Selected indicators on the state of social rights in Europe

1 Eurostat (2020). Gini coefficient of equivalised disposable income: http://appsso.eurostat.ec.europa.eu/nui/show.do?lang=en&-dataset=ilc_di12

2 Eurostat (2020). Unemployment by sex and age: annual data: https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_rt_a&lang=en

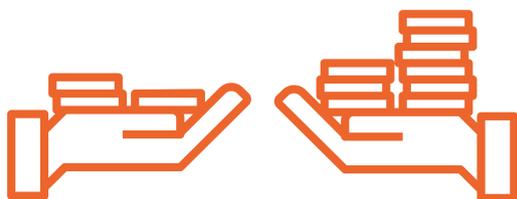
3 European Institute for Gender Equality (2020). Gender Equality Index: <https://eige.europa.eu/gender-equality-index/2020/BE>

4 Eurostat (2020). In-work at-risk-of-poverty-rate : <https://ec.europa.eu/eurostat/databrowser/view/tespm070/default/table?lang=en>

5 Eurostat (2020). Overcrowding rate by age, sex and poverty status – total population: https://ec.europa.eu/eurostat/databrowser/view/ilc_lvho05a/default/table?lang=en

EQUAL OPPORTUNITIES AND FAIR WORKING CONDITIONS

In the 2019 Social Rights Monitor, we saw some improvement in social conditions, even though some European countries were still not back at pre-2008 crisis levels in terms of, for example, employment and wage growth. In the 2020 Monitor, we see some positive developments with increased minimum wages in Spain, Czechia, Hungary and Slovakia. However, SOLIDAR partners in all 17 countries express their concern over increasing income inequalities. This worry is confirmed by countries' Gini coefficients, many of which have slightly increased since 2010.⁶



Overall, the National Strategy Groups do not report any major changes in taxation. But they do point out that the fiscal burden on low-income households continues to be high, sometimes as a result of flat-rate taxation of income and a relatively high share of taxation on consumption, especially in Bulgaria, Czechia, Estonia, Greece and Hungary. In countries that continue to have a flat-rate tax system, low-income households are affected disproportionately and tend to pay a relatively large share of their income in taxes. Belgium's last tax reform benefited low-wage workers but left behind non-working people.

EMPLOYMENT

At the end of 2019, employment in the EU-28 area was at an all-time high of 69.5%.⁷ In fact, several National Strategy Groups even reported labour shortages, especially in the health-care, education and services sectors. However, this increased demand for labour has not come with improved working conditions. Most pressing is the rise in precariousness in the labour market, which all National Strategy Groups flag as a concern. Job insecurity and precariousness in the labour market were already flagged in SOLIDAR's 2019 Social Rights Monitor. However, the Covid-19 crisis has made the risks in healthcare, education and services painfully clear. The same issue also affects enlargement countries, such as North Macedonia, where informal employment is a major feature of the labour market.⁸ In Serbia, the NSG flags high youth unemployment and a brain drain as key medium-to-long-term employment challenges.



6 Eurostat (2020). Gini coefficient of equivalised disposable income: <https://ec.europa.eu/eurostat/databrowser/view/tessi190/default/table?lang=en>

7 Eurostat (2020). Employment rates by sex, age and citizenship (%): https://ec.europa.eu/eurostat/databrowser/view/LFSQ_ERGAN_custom_160161/default/table?lang=en

8 European Commission (2020) Commission Staff Working Document – North Macedonia 2020 Report https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/north_macedonia_report_2020.pdf

Although recent data is scarce, it is undeniable that the Covid-19 crisis has had immense effects on employment in almost all European countries and will likely continue to do so for the foreseeable future. Since February 2020, we have seen the unemployment rate in the EU-27 increase by a full percentage point, from 6.5% of the population to 7.5% in September. In Spain, one of the countries hit hardest by both the first and the second wave of the virus, unemployment has increased by almost 3 percentage points since the beginning of the crisis.⁹ Certain sectors and categories of workers have been hit harder than others. Our National Strategy Groups report that some of the sectors hit hardest, such as hospitality and tourism, are also those that employ a relatively large share of precarious workers and people from vulnerable groups such as women, youths and migrants. Covid-19 and the lockdown measures that followed in many countries had a particularly strong impact on these sectors. Moreover, many of the people working in them had precarious contracts, leaving them under-protected after becoming unemployed.

To prevent mass layoffs, most governments have introduced emergency measures, including short-time work schemes that cover part of workers' wages. The extent to which these schemes have been successful in protecting workers' incomes and future job security varies from country to country. The percentage of wages covered also varies, from 100% in Ireland to only 50% of the minimum wage in Poland.¹⁰ Some countries have made the arrangement conditional, for example forbidding companies that make use of the scheme to lay off workers.

EDUCATION

Our National Strategy Groups report some contrasting trends for early school leavers. In some countries they pose a growing problem, whereas others seem to be more successful in dealing with the issue. Overall, we see a positive trend, with the rate of early school leavers in Europe diminishing: in 2009, 14.2% of students in the EU-28 still left school without a diploma; in 2019 this was down to 10.3%.¹¹ Nevertheless, our NSGs point out that, in all countries, vulnerable groups such as Roma and students from low-income households are still more likely to leave school without a diploma. There also continues to be a striking difference between the sexes, with male students significantly more likely to leave school early than their female counterparts. Luckily, this gender gap seems to be slowly closing. We also see a positive trend with the number of young people that are neither in school or training nor employed (NEETs). This diminished from a peak of 15.9% in 2013 to 12.5% in 2019, according to Eurostat in 2020.¹²

Some NSGs also call attention to the lack of qualified teachers, which affects the quality of education and creates inequalities between regions, as some have bigger shortages than others. In some countries, such as Bulgaria, inequalities have been further worsened by the transfer of education competences to local authorities. In addition, because many students have had to rely on distance learning due to Covid-19, existing socioeconomic inequalities have been exacerbated. In several countries, including Italy and Spain, teachers report that especially pupils from low-income households

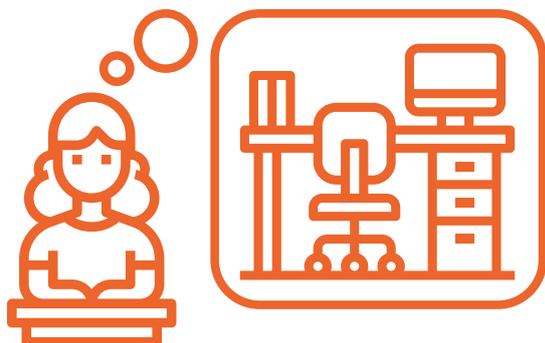
9 Eurostat (2020). Unemployment by sex and age – monthly data: https://ec.europa.eu/eurostat/databrowser/view/une_rt_m/default/table?lang=en

10 ETUC (8 May, 2020). Covid-19 Watch ETUC Briefing Note: Short Time Work: https://www.etuc.org/sites/default/files/publication/file/2020-05/Covid_19%20Briefing%20Short%20Time%20Work%20Measures%2030%20April.pdf

11 Eurostat (2020). Early leavers from education and training by sex and labour status: <https://bit.ly/3lmlld6>

12 Eurostat (2020). Young people neither in employment nor in education and training by sex (NEET): https://ec.europa.eu/eurostat/databrowser/view/sdg_08_20/default/table?lang=en

struggle to follow online lessons, as they often lack the technological tools and a quiet space at home to study.



This is linked to another issue that has become acutely problematic: the lack of IT skills amongst many Europeans. This challenge had already been recognized before the Covid-19 pandemic. Under President Ursula von der Leyen, the European Commission made one of its priorities A Europe fit for the digital age. This is playing a prominent role in the European Semester cycle for 2021 and will be addressed by the Digital Skills Agenda.¹³ Digital skills were already in increasing demand in the labour market, and Covid-19 has made them indispensable for millions of students to follow remote lessons. The pandemic has also made digital skills essential for working from home and for citizens to access government services online.

GENDER EQUALITY

Overall, gender equality in the EU-28 has slightly improved, with the Gender Equality Index increasing from 67.4 in 2019 to 67.9 in 2020.¹⁴ Nevertheless, progress is limited, and our National Strategy Groups report that the implementation of the work-life balance directive has been slow, with large discrepancies between Member States. We see some positive developments in childcare and pay transparency. However, in general, gender equality continues to not be mainstreamed in most European countries, and NSGs point to the lack of an overarching framework.



The gender pay gap shrank in the EU-28 from 17.1% in 2010 to 15% in 2018. Here also, however, we see large differences between countries: in Luxembourg women earn on average 1.4% per hour less than men, whereas in Estonia the difference is 21.8%.¹⁵ To get a full picture of gender (in)equality in the labour market, it is important also to consider the employment gap. In Romania, for example, we see a relatively low gender pay gap (2.2%) but one of highest European employment gaps, at 19%.¹⁶ Similarly, in Denmark the workforce is highly segregated with women being overrepresented in lower paid public jobs.

13 European Commission (2020). Commission presents European Skills Agenda for sustainable competitiveness, social fairness and resilience: https://ec.europa.eu/commission/presscorner/detail/en/ip_20_1196

14 EIGE (2020). Gender Equality Index: <https://eige.europa.eu/gender-equality-index/2020>

15 Eurostat (2020). Gender pay gap in unadjusted form : https://ec.europa.eu/eurostat/databrowser/view/sdg_05_20/default/table?lang=en

16 Eurostat (2020). Gender employment gap : https://ec.europa.eu/eurostat/databrowser/view/sdg_05_30/default/table?lang=en

SOCIAL PROTECTION AND INCLUSION

Since 2013, government expenditure¹⁷ on social protection¹⁸ as a percentage of GDP has been steadily dropping. In the period before Covid, we saw the share of people in Europe at risk of poverty decrease slightly to 16.8% in 2019.¹⁹ This development is largely attributed to increasing employment levels and thus mainly applies to working individuals. In reality, there are significant discrepancies between social groups, and our NSGs call attention to the fact that minimum-income schemes and poverty alleviation measures in many Member States are insufficient to lift people out of poverty. In Greece and Hungary, the financing of social security has come under pressure, as employers' share of social contributions has been lowered. However, here too we see some positive development, such as the introduction of new minimum income schemes in Spain²⁰ and Italy.²¹



INCLUSION OF MIGRANTS AND MINORITIES

Employment continues to be a crucial factor for the inclusion of migrants and minorities both for many national governments and for the European Commission. At the same time, our National Strategy Groups report language

barriers as the most pressing issue standing in the way of newcomers accessing essential services and healthcare, as well as the labour market. Civil society organisations play a key role here, sometimes even taking on responsibilities neglected by (national) governments, such as providing language courses and facilitating access to essential services and housing. It is therefore all the more worrying that SOLIDAR's member and partner organisations report an increase in attacks on organisations working with migrants, notably in Greece, Hungary, Croatia and Bulgaria.

HOUSING

The lack of quality and affordable housing continues to be one of the most pressing social issues, according to our NSGs. 15.6% of Europeans live in overcrowded accommodation, and 10.1% live in a household where housing takes up over 40% of the total disposable



17 Eurostat (2020). Expenditure on social protection : <https://ec.europa.eu/eurostat/databrowser/view/tps00098/default/table?lang=en>

18 Eurostat (2020). Net social protection benefits: https://ec.europa.eu/eurostat/databrowser/view/SPR_NET_BEN_cus-tom_166174/default/table?lang=en

19 Eurostat (2020). At-risk-of-poverty rate by poverty threshold, age and sex - EU-SILC and ECHP surveys: https://ec.europa.eu/eurostat/databrowser/view/ilc_ji02/default/table?lang=en

20 State Official Newsletter (2020). Royal Decree-Law 20/2020 on the minimum income scheme: <https://www.boe.es/eli/es/rdl/2020/05/29/20/con>

21 Ministry of Labour and Social Policies (2020) Reddito di Cittadinanza <https://www.redditicittadinanza.gov.it/>

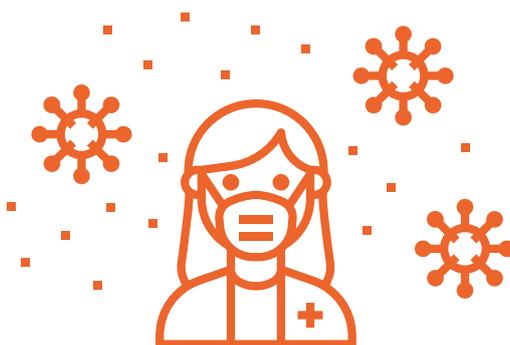
income.^{22, 23} These issues affect renters and low-income households much more than they do home-owners. We also see large differences between countries, with only 1.7% of households being overburdened by housing costs in Malta, compared to 39.5% in Greece.²⁴ The availability of social housing also leaves much to be desired: in the Belgian region of Flanders in 2016, there were as many people on the waiting list as there were already-occupied social housing units. Furthermore, our National Strategy Groups report significant regional disparities, with housing costs in urban centres and tourist areas rising especially sharply relative to incomes.

HEALTHCARE

The healthcare systems in all European countries have had to cope with an unprecedented demand for care during the Covid pandemic. With a total of over 9 million people in the EU/EEA and UK diagnosed with Covid-19,²⁵ European healthcare systems and their workers are under immense pressure. This has brought underlying issues such as underfunding and understaffing to light in the harshest way possible and impacted the lives of vulnerable groups most heavily.

The pandemic has been met by weakened healthcare systems after more than a decade of cuts and austerity. The financial crisis in 2008 led to a reduction in spending on public services, including healthcare systems. They became a target for cuts because their size made them appear to have. As a result, the number of hospital beds available in the EU-28 steadily declined for potential for greater efficiency more than a decade.²⁶ Already in the 2019 Social Rights Monitor, SOLIDAR members and partners raised concerns over the shortages of qualified healthcare staff in several countries.

Several National Strategy Groups have also voiced concerns about regional disparities in the availability and accessibility of healthcare in countries including France, Belgium, Croatia and Serbia. The reasons are mostly a shortage of qualified medical staff or regionalised management of health policies and infrastructures. Our National Strategy Groups in Bulgaria, Denmark, Estonia, Germany and Italy warn that the language barrier remains the biggest obstacle for migrants and minorities to access healthcare. In Bulgaria, France, Greece and Spain, administrative burdens are reported as an additional complicating factor.



22 Eurostat (2020). Overcrowding rate by sex - EU-SILC survey: <https://ec.europa.eu/eurostat/databrowser/view/tessi170/default/table?lang=en>

23 Eurostat (2020). Housing cost overburden rate by sex - EU-SILC survey: <https://ec.europa.eu/eurostat/databrowser/view/tessi160/default/table?lang=en>

24 Eurostat (2018). Housing statistics: https://ec.europa.eu/eurostat/statistics-explained/index.php/Housing_statistics

25 European Centre for Disease Prevention and Control (2020). COVID-19 situation update for the EU/EEA and the UK, as of 8 November 2020: <https://www.ecdc.europa.eu/en/cases-2019-ncov-eueea>

26 Eurostat (2020). Hospital beds by type of care: https://ec.europa.eu/eurostat/databrowser/view/HLTH_RS_BDS__custom_177966/default/table?lang=en

CIVIC SPACE

The deterioration of civic space across Europe is a concerning trend. SOLIDAR members and partners report that financial support for civil society organisations (CSOs) is diminishing and, in some countries such as Germany, has become subject to stricter scrutiny and taxation. CSOs working with migrants are facing increasing attacks – both financial and legal – from governments, as well as extremist groups.

In an attempt to contain the Covid-19 virus, many governments across the continent have limited the freedom of assembly by prohibiting public gatherings or limiting their size. Although this is understandable in the context of the pandemic, the impact it has had on the right to demonstrate might not be justifiable, especially in light of the often more lenient measures imposed on commercial enterprises. Also during the Covid-19 pandemic, social partners have seen their competences undermined by governments taking unilateral

decisions on employment issues without (sufficient) consultation with trade unions and employers organisations. In France, trade unions began in spring to demand to be involved in negotiations over remote working, and talks finally started in November.

In addition, continuous attacks on the media by both state actors and extreme right groups are endangering the freedom of the press. In the Netherlands, the state broadcaster has been forced to remove logos from its satellite vans after continued threats and attacks from right-wing conspiracy theorists.²⁷ Reporters Without Borders says that, although some European countries are still leaders in press freedom, free journalism in Europe is under threat from “illiberal democracies” and the “fight against terrorism”, especially in the east and south of the continent.²⁸ The concentration of media ownership in the hands of a few powerful actors further limits freedom of the press in these regions.



27 NOS (2020). NOS haalt na aanhoudende bedreigingen logo van satellietwagens : <https://nos.nl/artikel/2352452-nos-haalt-na-aanhoudende-bedreigingen-logo-van-satellietwagens.html>

28 Reporters without Borders (2020). Europe - Central Asia: <https://rsf.org/en/europe-central-asia>



COMPARISON WITH COUNTRY-SPECIFIC RECOMMENDATIONS

The 2020 Country-Specific Recommendations were published in May, at the height of the first peak of the pandemic. It is therefore not surprising that many of the recommendations have a strong focus on mitigating the first direct effects of Covid-19 on healthcare systems and the economy. We are pleased to note that for the majority of the countries covered in the Social Rights Monitor, the European Commission also recommends strengthening social safety nets, including for atypical workers (Italy) and

the self-employed (the Netherlands). However, the socioeconomic effects of this crisis go much deeper than income. Our National Strategy Groups report that Covid-19 is heavily impacting all aspects of social rights, from employment to education and from access to essential services to civic space. As it is becoming ever clearer that Covid-19 will continue to affect our societies for the foreseeable future, SOLIDAR insists that a broader approach to its socioeconomic consequences is needed.



COUNTRY MONITOR: BELGIUM



After Belgium's federal elections on 26 May 2019, the same day as regional and European elections, it took until 1 October 2020 to form a new federal government; in the interim, a caretaker government ran the country's current affairs. In the 2019 elections, the regions displayed a striking contrast in terms of voting: while a majority of Flemings voted for nationalist, right or far-right parties, in French-speaking Wallonia the greens and the left prevailed.

On the social side, Belgium has had one of the EU's highest per-capita rates of both infections and deaths from Covid-19. While intensive care units did not reach saturation point as they did in other countries, the National Strategy Group (NSG) led by Pour la Solidarité (PLS) considers that a re-evaluation of the health system's needs and shortages is Belgium's number-one social priority. Other pressing issues pointed out by the NSG are structural inequalities, the quality of employment and youth employment.

	2018	2019	EU-28 2019
Gini index ¹	25.7	25.1	30.1
Unemployment ²	6%	5.4%	6.3%
Gender Equality Index ³	71.1 (2019)	71.4 (2020)	67.9 (2020)
In-work poverty ⁴	5.1%	4.8%	9.2%
Housing Overcrowding ⁵	5.7%	8.1%	15.6%
CIVICUS Civic Space Monitor ⁶		OPEN	N/A

Selected indicators on the state of social rights

1 Eurostat (2020). Gini coefficient of equivalised disposable income: http://appsso.eurostat.ec.europa.eu/nui/show.do?lang=en&-dataset=ilc_di12

2 Eurostat (2020). Unemployment by sex and age: annual data: https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_rt_a&lang=en

3 European Institute for Gender Equality (2020). Gender Equality Index: <https://eige.europa.eu/gender-equality-index/2020/country/BE>

4 Eurostat (2020). In-work at-risk-of-poverty-rate : <https://ec.europa.eu/eurostat/databrowser/view/tespm070/default/table?lang=en>

5 Eurostat (2020). Overcrowding rate by age, sex and poverty status – total population: https://ec.europa.eu/eurostat/databrowser/view/ilc_lvho05a/default/table?lang=en

6 CIVICUS (2020). Civic space monitor - Belgium: <https://monitor.civicus.org/country/belgium/>

ACCESS TO THE LABOUR MARKET

The National Strategy Group for Belgium has highlighted the Pacte pour l'emploi – known as the Jobsdeal package – as the main milestone in employment and tax policies in recent years. This set of measures comprises a social and a fiscal component. The overall goal of the policy is to help companies find the workers they need and help people who have lost their job to find another. The Jobsdeal contains several features, including the following: registering newly unemployed workers more quickly at unemployment offices, incentives to undergo and invest in training, outplacement assistance directed at sectors short of manpower and support for seniors over 65 who wish to engage in a professional activity.⁷ While measures to support employment are always welcome, some of them are designed at workers' expense, as was the case with the austerity measures in multiple EU countries. Belgium was no exception to the trend, and in 2018 new notice periods came into effect, especially affecting workers with less than six months of service. Those new, shorter notice periods for employers were intended to encourage the recruitment of new workers, by lowering the cost of dismissing permanent workers. For instance, an employer now only has to give one week's notice to dismiss someone who has less than three months of

seniority, compared to a previous notice period of two weeks.⁸

On the social side, one of the Jobsdeal measures implemented in 2019 granted the right to outplacement assistance to a value of EUR 1,800 for employees whose contract was ended because the employer invoked medical force majeure.⁹

FAIR TAXATION

The previous federal government launched the third and last phase of its tax shift in January 2019. Adopted in 2015, this fiscal package aimed to lower taxes on both workers and companies, in order to increase purchasing power. The last phase raised the minimum taxable income and increased net salaries by a small amount. In 2019, a study found the tax shift measures would mainly benefit low-wage workers, whose purchasing power would rise 7% over the long term, compared to a 4.4% increase for workers on average. The NSG notes that these measures, by focusing on the reduction of taxes on labour, left the non-working population behind: the unemployed and the pensioners barely enjoyed any increase in purchasing power over the 2016-2019 period.¹⁰

7 RTBF (2019). Le Jobsdeal va se concrétiser mais dans une version light : https://www.rtbf.be/info/belgique/detail_le-jobsdeal-va-se-concretiser-mais-dans-une-version-light?id=10122263

8 Eurofound (2019), Labour market segmentation: Piloting new empirical and policy analyses.

9 European Commission (2019), Flash Reports on Labour Law April 2019

10 VRT (2019). Pouvoir d'achat sous le gouvernement Michel : les chômeurs et pensionnés grands perdants : https://www.vrt.be/vrtnews/fr/2019/05/21/pouvoirs-d_achat-sous-le-gouvernement-michel-les-chomeurs-et-p/

EQUAL OPPORTUNITIES AND VULNERABLE GROUPS

ANTI-DISCRIMINATION

The government of Flanders abruptly decided in the summer of 2019 to put an end to its cooperation with Unia, the Belgian public service agency that fights against discrimination and promotes human rights. The Flemish region plans to set up its own equal-opportunities institution, which will operate on the basis on Flanders' own legal instruments. Unia will continue to be competent in Flanders but will have to operate alongside this new body, except for criminal matters, where it will retain sole competence. Unia's activities will directly be impacted by this decision, as it will cut 10% from its operating budget. Cooperation between the government of Flanders and Unia is scheduled to continue until 2023.¹¹

MIGRATION POLICY

One development which raises great concerns for SOLIDAR's National Strategy Group is the introduction in the autumn of 2019 of a much tougher migration policy in Flanders. Jan Jambon of the N-VA (New Flemish Alliance), Minister-President of the region, is not bashful about the fact this new policy will make it harder for foreigners to come to live in Flanders. He

argued that, "the entry ticket is becoming more expensive, but someone who is in gets full membership".¹² The new policy entails higher requirements for newcomers in areas such as knowledge of Dutch, common values and civic participation. The already compulsory integration course and exam will now have a fee of EUR 360. There will be longer residency requirements to access some social benefits, such as social housing, and asylum-seekers will no longer retroactively receive childcare allowance once they are granted asylum. Communities will also be held to stricter standards, as the measure also foresees the tightening and prolongation of the process of recognition for schools and religious communities.¹³ Eventually, to access public funding, religious communities will be subject to a four-year review period, and CSOs will have to use Dutch in every public communication.¹⁴ More troubling is the fact this unabashedly right-wing policy did not stir much controversy in the coalition in power in Flanders: even the centre-right Minister Wouter Beke said he was fully on board with the measure.

The NSG points out that the adoption of this measure took place in a context where Belgium has a rather poor record in integrating people of foreign origin into the labour market.¹⁵

11 Unia (2019). Unia réagit à la décision de la Flandre d'arrêter leur coopération : <https://www.unia.be/fr/articles/unia-reagit-a-la-decision-de-la-flandre-darreter-leur-cooperation>

12 Politico (2019). Flemish parties toughen migration stance in coalition agreement: <https://www.politico.eu/article/jan-jambon-flemish-parties-toughen-migration-stance-in-coalition-agreement/>

13 RTBF (2019). Accord flamand: une politique d'intégration nettement plus stricte: https://www.rtbf.be/info/belgique/detail_accord-flamand-une-politique-d-immigration-et-d-integration-nettement-plus-stricte?id=10329078

14 European Commission (2019). Belgian regional governments – stringent rules for migrants in the north, not much in the south: <https://ec.europa.eu/migrant-integration/news/belgian-regional-governments-stringent-rules-for-migrants-in-the-north-not-much-in-the-south>

15 Federal Public Service Employment, Labour and Social Dialogue & Unia, Interfederal Centre for Equal Opportunities (2020). Socio-economic Monitoring. Labour market and origin 2019: https://www.unia.be/files/Documenten/Publicaties_docs/UNIA_Monitoring_2019_-_ENG_-_AS.pdf

GENDER EQUALITY IN THE LABOUR MARKET

Belgium has the fourth lowest gender pay gap in the European Union, with women earning 6.0% less than men in 2018, compared with an EU average of 16%.¹⁶ However, that does not mean there is almost complete equality between men and women in the labour market, as there are factors other than the gap in hourly wages, such as the gender employment gap and the number of hours of paid work in a month. Belgium performs fairly well in the former: the employment rate of women was 9.8 percentage points less than that of men in 2017, better than the average EU gap of 11.5 percentage points.¹⁷ But the number hours of paid work is less balanced, as “43.6 % of employed women work part-time, while 11.8% of men don’t work full-time”.¹⁸

Nevertheless, if one focuses on the gender gap for hourly pay, Belgium appears to be doing a good job at tackling this inequality, as the indicator went down from 10.2% in 2010 to 6.0% in 2018.¹⁹ One of the reasons may be the implementation of the latest legislation on equal pay, the law of 22 April 2012 and its 2013 amendment. The law aims to tackle unequal pay at all levels: at the interbranch level, with the obligation for social partners to put equal pay on the agenda of their national biannual negotiations; at the sectoral level, through the introduction of gender-neutral job classifications; and eventually at the company level through the organisation of sustained dialogue and monitoring, with a view to adopting an equality plan.²⁰

EDUCATION AND EARLY SCHOOL LEAVING

In Belgium, most policies pertaining to education and employment are the competence of the regions or linguistic communities. The NSG welcomes the various STEM (science, technology, engineering and mathematics) strategies put in place by the regions and communities, but it also warns of the lack of a comprehensive strategy to meet labour market needs, one that would encompass all regions and communities. Another comment was that there are great regional disparities in education. This is the case for the rate of early school leavers (ESL), where the rate in Belgium as a whole is rather low (8.9% in 2017, below the European average of 10.6%). But this number that hides a disturbing gap: the rate ranges from 12.9% in the Brussels-Capital Region to 7.2% in Flanders. Social inequalities are also a factor, as the ESL rate is strikingly high for non-EU born people (16.7%) and for young men in urban areas (14.4%).

The Brussels government has undertaken to tackle this issue, by strengthening the coordination of its three regional school drop-out schemes, and by working with the communities, municipalities and local actors to put together a comprehensive plan to combat ESL in the region.²¹

16 European Commission (2020). Factsheet on Gender Pay Gap 2019: https://ec.europa.eu/info/sites/info/files/factsheet-gender_pay_gap-2019.pdf

17 Eurostat, (2019). Gender employment gap in the EU: <https://ec.europa.eu/eurostat/web/products-eurostat-news/-/EDN-20190307-1>

18 STATBEL (2020). Part-time employment: <https://statbel.fgov.be/en/themes/work-training/labour-market/part-time-employment>

19 STATBEL (2020). Gender Pay Gap : <https://statbel.fgov.be/en/themes/work-training/wages-and-labourcost/gender-pay-gap>

20 Institut pour l’Egalité des Femmes et des Hommes (year unknown). Législation : https://igvm-iefh.belgium.be/fr/activites/emploi/ecart_salarial/legislation

21 BE2020 (2020). National Reform Programme 2020 : https://www.be2020.eu/uploaded/files/202005061414290.NRP_2020_Belgium_EN.pdf

YOUTH EMPLOYMENT

Unemployment of people between the ages of 15 and 24 in Belgium averaged 14.2% in 2019, on a par with the EU average for that year. But this number, while already large, hides big regional disparities: in 2019 youth unemployment was 29.5% in the Brussels-Capital Region and 21.9% in Walloon Region but only 9.6% in Flanders.²² To tackle this issue and as part of the previous mentioned Jobsdeal, the federal government has resorted to allowing “starter jobs”: since 2019 youths between the age of 18 and 20

without previous professional experience can be hired at a gross salary inferior to the statutory minimum wage in a sector. The young worker is then compensated for the difference with a monetary transfer from the employer, which is exempted from social contributions and payroll taxes, so that the net salary is unchanged.²³ This measure was intended to foster the hire of young people, as it leads to lower wage costs for the employer. An issue with this measure is that the youths employed under these conditions only build up social rights based on the reduced gross salary, so they lose out in these terms.

FAIR WORKING CONDITIONS

WORKING HOURS

In April 2019, the social partners concluded an intersectoral collective labour agreement, increasing the maximum quota of voluntary overtime per calendar year from 100 to 120 hours. Within this framework, agreements may be concluded at sector level to increase this to up to 360 hours per calendar year.²⁴

PRECARIOUSNESS AND IN-WORK POVERTY

In-work poverty in Belgium is among the lowest in the EU, at around 5% since 2013, while the European average has been 9% over the same period. This is mainly due to the fact that minimum wages are relatively high compared to other EU countries, and only a small proportion of the working population earns them.²⁵ However, that is not the only factor. In line with other EU countries, single-parent households, temporary workers, the self-employed and the low-educated are particularly exposed to in-work poverty.

22 STATBEL (2020). Employment and unemployment: <https://statbel.fgov.be/en/themes/work-training/labour-market/employment-and-unemployment#panel-11>

23 Securex (2019). Engager de jeunes travailleurs à moindre coût via les premiers emplois : https://www.securex.eu/lex-go.nsf/wipaaip_fr/771E7EC3EFCA0E4BC125841D002B92CC?OpenDocument

24 European Commission (2019), Flash Reports on Labour Law April 2019

25 Buffel, Veerle & Nicaise, Ides (2019). ESPN Thematic Report on In-work poverty – Belgium, European Social Policy Network (ESPN), Brussels: European Commission.

SOCIAL PROTECTION AND INCLUSION

Public social spending including health accounted for 28.9% of Belgian GDP in 2018, the second highest among OECD countries.²⁶ Although Belgium has one of the broadest social protection systems in the EU, inequalities persist.

INEQUALITIES AND POVERTY

The situation has stalled for low-income households and especially those living below the poverty line, despite benefits having kept up with economic prosperity, as the National Strategy Group underlines. Belgium is highly unlikely to achieve the commitment made in the National Reform Programme 2011 towards the Europe 2020 strategy, which was to lift 380,000 people out of poverty by 2020.²⁷ According to official figures, the risk of poverty has not receded over the last 10 years. Rather, it is slightly increasing for most categories of the population (both men and women and all ages except seniors) and amounted to 16.4% for the general population in 2018. For young people (16-24) the risk of poverty has increased by 27% in nine years.²⁸ Young people, the unemployed, single-parent households, people with a low level of education and renters are the most exposed categories. In this regard, the NSG notes with regret that while there exists a summit especially dedicated to cooperation and the consistency of poverty policy in Belgium – namely the Interministerial Conference on Social Integration and Social Economy, which is supposed to gather ministers from the federal, regional and linguistic community levels – it has not met since 2013.

SOCIOECONOMIC IMPACT OF COVID-19

As reported by the NSG, the Covid-19 crisis caused employment growth in Belgium to come to an abrupt halt in 2020. Unemployment is forecast to rise to 7% in 2020, after reaching an historic low of 4.9% in the first quarter of 2020.²⁹ The NSG worries the pandemic may cause living conditions to worsen for low-income households, as they will likely be the first impacted by the economic downturn.

UNEMPLOYMENT BENEFITS

Belgium usually ranks amongst the countries that spend the most on unemployment benefits. OECD data on public unemployment spending shows the country topped the ranking of OECD countries between 2015 and 2017, with more than 2.5% of GDP spent on unemployment benefits.³⁰ In spite of this positive picture, the NSG has warned about the risk of increased conditionality of rights to social minima and social benefits. The Centres Publics d'Action Sociale (CPAS) [Public Centres for Social Welfare] are tasked with ensuring that every individual can live a decent life. However, the NSG reports a noticeable trend towards the sidelining of social concerns. An instance of this is the increasing tendency of the CPAS to define conditions of eligibility or access and to monitor and even sanction people. The government also tried to pass, as part of the Jobsdeal, a measure to make unemployment benefit more digressive, while raising benefits in the first months of unemployment. The rationale

26 OECD (2020), Social spending (indicator). doi: 10.1787/7497563b-en : <https://data.oecd.org/socialexp/social-spending.htm>

27 SPP IS (2020). Opinion de la Plateforme belge contre la pauvreté et l'exclusion sociale UE2020 sur le Programme National de Réforme 2020 : https://www.mi-is.be/sites/default/files/documents/opinion_de_la_plateforme_belge_pnr2020_fr.pdf

28 STATBEL (2019). Risque de pauvreté ou d'exclusion sociale : <https://statbel.fgov.be/fr/themes/menages/pauvrete-et-conditions-de-vie/risque-de-pauvrete-ou-dexclusion-sociale#figures>

29 STATBEL (2020). Employment and unemployment: <https://statbel.fgov.be/en/themes/work-training/labour-market/employment-and-unemployment#figures>

30 OECD (2020), Public unemployment spending (indicator). doi: 10.1787/55557fd4-en (Accessed on 26 August 2020) <https://data.oecd.org/socialexp/public-unemployment-spending.htm#indicator-chart>

behind this proposal was that it would increase the financial incentive to find work and therefore absorb unemployment faster. Here again, the NSG voices concern that a faster reduction of revenue would only reinforce the precariousness of the long-term unemployed, exposing them to poverty or forcing them to accept jobs that do not match their qualifications or aspirations. Fortunately, the governing coalition did not reach agreement on this measure and it did not make it into the final text.³¹ But making unemployment benefits more digressive is part of a larger narrative that paints the unemployed as lacking sufficient incentive to find new employment. This idea is pervasive and likely to return in future policy proposals.

NEW BENEFITS FOR THE SELF-EMPLOYED

The National Strategy Group has applauded the series of benefits for independent workers (self-employed) which was introduced in Spring 2019. In May of that year, paternity and birth leaves were introduced: from then on self-employed co-parents, in the same way as employees, were entitled to 10 days, or 20 half days, of leave compensated by their health insurance programme.³² In June, the waiting period of 14 days before independent workers received their allowance for incapacity to work was abolished; now these workers are compensated from the first day of incapacity, proven that the total number days of incapacity exceeds seven.³³ Eventually, the self-employed also saw an extension of their “bridging rights”

– financial benefits coupled with the maintenance of some rights without having to contribute – when they are forced to cease or interrupt their activity under some conditions.³⁴

SOCIAL HOUSING

Social housing is sorely lacking in Belgium, the National Strategy Group points out. Social housing is a regional competence, and it is particularly low as a percentage of the total housing market: 5.6% in Flanders, 5.3% in Wallonia and 7% in Brussels-Capital in 2016. As a result, waiting lists are long: that year, Flanders had almost as many households on its waiting list as it had affordable housing units. Belgium is not doing very well in this area compared to other EU countries: social housing makes up 34% of the Netherlands’ housing market and 26% of Austria’s.³⁵ The few housing allowances that exist in Belgium cover only the worst-case situations (homeless people) or very specific ones (disabled people needing accessible housing, for example, or people who need to leave an unsanitary abode). There is no general benefit for low-income households to access decent housing. Furthermore, the benefits and conditions vary from one region to another. As a last resort, the CPAS can step in, but it only does so either under very strict conditions or in a way that deprives the individual of their autonomy and is akin to guardianship. The lack of a comprehensive housing benefit system and the marginal share of social housing have led to deep inequality in access to housing in Brussels.

31 RTBF (2019). Le Jobsdeal va se concrétiser, mais dans une version light : https://www.rtbef.be/info/belgique/detail_le-jobsdeal-va-se-concretiser-mais-dans-une-version-light?id=10122263

32 Moniteur Belge (2019). Loi instaurant un congé de paternité et de naissance en faveur des travailleurs indépendants : https://www.ejustice.just.fgov.be/cgi/article_body.pl?language=fr&caller=summary&pub_date=19-05-08&numac=2019012182

33 INASTI (2019). Octroi plus rapide des indemnités d’incapacité de travail: <https://www.inasti.be/fr/news/octroi-plus-rapide-des-indemnit%C3%A9s-d-incapacit%C3%A9-de-travail>

34 INASTI (2019). Extension du droit passerelle : <https://www.inasti.be/fr/news/extension-du-droit-passerelle>

35 Service de lutte contre la pauvreté, la précarité et l’exclusion sociale (2019). Des faits et des chiffres : https://luttepauvrete.be/wp-content/uploads/sites/2/2019/01/chiffres_logements_sociaux.pdf

GOOD PRACTICE

In the Brussels-Capital Region, the Agences Immobilières Sociales, AIS [Social Real Estate Agencies] are recognised and have had agreements with and subsidies from the region since 1998. The mission of these non-profit organisations is to offer affordable rental accommodation from the private market to low-income households. In exchange for quality accommodation at a rent inferior to the market price, the AIS offer the landlord a wide range of services related to lease management, while guaranteeing stable rent payment.³⁶ The AIS currently manage more than 6,000 units in the Brussels region.

HEALTHCARE

Austerity in Belgium hit not only employment legislation, but also healthcare. The NSG describes the policies implemented by the Michel government (2014-2019) as among the toughest ever put in place in healthcare. Between 2014 and 2019, EUR 2.1 billion-worth of savings were made in the sector. According to Solidarité - Mutualité Socialiste, this represented a direct saving of EUR 130 million, charged to users. There was, for example, a 21% increase in supplemental fees for ambulatory care in 2017. Hundreds of millions in cuts have affected healthcare providers as well. The NSG highlights that, while the Belgian healthcare system is efficient in terms of intensive care in hospitals, the Covid-19 pandemic has made salient a number of shortcomings affecting the resilience of the system. Belgium has a structural shortage of medical doctors that becomes highly problematic in times of crisis. Almost half the practising doctors are over 55 years old, which

raises great concerns about a future shortage. To remedy the situation, the number of students allowed in medical school has been raised in recent years.³⁷ The country is, luckily, better equipped in terms of nurses, with 11 per 1,000 inhabitants, well above the European average.³⁸

When it comes to the affordability of healthcare, the European Observatory on Health Systems and Policies (EOHSP) and the OECD reported in a 2020 joint analysis that individuals with low incomes declare unmet medical needs more often than the rest of the population. The inequality of access is especially noticeable in dental care, and the reasons are mainly financial: health insurance does not fully cover this type of care, so the out-of-pocket expenditure is significant.³⁹

Health is among Belgium's regionalised policies, which means responsibility is shared between the federal state and the federated entities (regions and communities). The federal level is responsible for regulating and financing compulsory health insurance, as well as for operating and financing the hospitals. The federated entities are in charge of health promotion and prevention, as well as coordination and cooperation between the different health departments. This structure can account for the significant regional disparities reported in the share of persons self-reporting unmet needs in 2017, according to a study conducted by the European Social Observatory published in 2020.⁴⁰ The researchers found that 5% of people report unmet needs in Flanders, 9% in Wallonia and a striking 22% in the Brussels Region. They add that, even after adjusting for income, health needs and socioeconomic and demographic factors, the inter-regional differences remain significant and might be explained by the fact that municipalities, through CPAS and OCMW, play an important role in supporting vulnerable people.

36 <https://www.fedais.be/>

37 OCDE/European Observatory on Health Systems and Policies (2019), Belgique: Profils de santé par pays 2019, State of Health in the EU

38 Ibidem.

39 OCDE/European Observatory on Health Systems and Policies (2019), Belgique: Profils de santé par pays 2019, State of Health in the EU

40 Cès & Baeten (2020). European Social Observatory: Inequalities in access to healthcare in Belgium: http://www.ose.be/files/publication/health/2020_Ces_Baeten_NIHDI_Inequalities_access_care_Report_EN.pdf

The NSG's work sheds light on a series of obstacles, essentially administrative in nature, to equitable access to healthcare. For asylum-seekers, accessibility varies depending on the place they are staying. In collective reception centres, primary care is provided mostly internally and is paid for by the Fedasil, the Belgian authority responsible for the reception of asylum-seekers. On the other hand, in local reception initiatives, which are made up primarily of private homes and often managed by the CPAS, the CPAS decides whether to grant the permission and funding needed to consult a health professional. In the end, because the CPAS and the Fedasil do not operate according to the same principles, two parallel systems coexist. This makes it complex for asylum-seekers to find their way around the healthcare system.

According to the EOHSP and the OECD, undocumented migrants and homeless people are two other vulnerable groups that experience difficulties in accessing healthcare. On one hand, undocumented migrants cannot be affiliated to a Belgian health insurance. While they are entitled to emergency medical care, they seldom turn to it. On the other hand, homeless people, while entitled to benefit from healthcare like the rest of the population (provided that they have residency rights), face obstacles due to their absence of fixed home and their reluctance to ask for medical help. Consequently, they mostly only access healthcare through hospitals' emergency departments.⁴¹

41 Devos C et al. (2019), Performance of the Belgian Health System – Report 2019. KCE Report 313. Belgian Health Care Knowledge Centre (KCE), Brussels, in OCDE/European Observatory on Health Systems and Policies (2019). Belgique: Profils de santé par pays 2019, State of Health in the EU

CIVIC SPACE

Generally speaking, civic rights in Belgium are not under threat. The country is classified as having an “open” civic space by CIVICUS’s Civic Space Monitor⁴² and ranked 12th in terms of press freedom in 2020, a very small drop from the previous year, when it ranked ninth.⁴³ In 2019, freedom of information in Belgium was safeguarded, as the Council of State issued an alert that a proposed law might violate the European Court of Human Rights’ legal precedents on the right to information. Under the proposal, whistle-blowers could have faced a prison term of up to five years for revealing classified information, while individuals without security clearance doing this (typically, investigative journalists) would have been exposed to a fine up to EUR 5,000.⁴⁴ The government withdrew the proposed law and amended it before resubmitting it.⁴⁵

In 2019, the federal parliament passed a law establishing an independent National Human Rights Institution. Several organisations have welcomed this adoption positively, highlighting that this new institution would be able to take a holistic approach to human rights; till now, the

human rights landscape has been scattered between different institutions with different mandates, due to the complexity of the Belgian legal system.⁴⁶ While cheering the news, Amnesty International expressed reservations, noting with regret that the mandate of the institution would be limited to federal matters, leaving out of its scope of action topics such as the integration of human rights in education (the latter being a regional matter).⁴⁷

Despite this overall positive civic landscape, the National Strategy Group underlines some more worrying developments regarding the right of peaceful assembly. 2019 and 2020 saw increased police repression at protests. That was especially the case during May 2019, as the country held federal, regional and European Parliament elections. As a yellow vests-inspired demonstration allegedly turned disorderly, the police arrested and detained around 350 people.⁴⁸ A similar incident occurred in October 2019, when climate protesters were targeted with water cannon, batons and pepper spray during a peaceful sit-in, and 435 of them were arrested.⁴⁹

42 CIVICUS (2020). Belgium : <https://monitor.civicus.org/country/belgium/>

43 Reporters Without Borders (2020). Belgium : <https://rsf.org/en/belgium>

44 <http://www.raadvst-consetat.be/dbx/avis/66143/projet>

45 Reporters Without Borders (2019). Belgian bill threatens investigative journalism: <https://rsf.org/en/news/belgian-bill-threatens-investigative-journalism>

46 CIVICUS (2019). Belgium approves law creating long overdue human rights institution: <https://monitor.civicus.org/updates/2019/06/15/Belgium-approves-law-creating-long-overdue-human-rights-institution/>

47 Amnesty International (2019). Wetsvoorstel over mensenrechteninstituut positieve eerste stap: <https://www.amnesty-international.be/wetsvoorstel-mensenrechteninstituut-belgie>

48 AP News (2019). Yellow vest protest in Brussels turns violent; 350 detained: <https://apnews.com/410ebca234624d-388ab8e7dd9d41f013>

49 CIVICUS (2020). Belgium : <https://monitor.civicus.org/country/belgium/>

COMPARISON WITH THE COUNTRY SPECIFIC RECOMMENDATIONS

The European Commission's 2020 country-specific recommendations for Belgium focused mainly on the socio-economic impact of the Covid-19 pandemic and facilitating economic recovery. After recognizing the negative impact of the crisis on several indicators, the Commission called on Belgium to reinforce the resilience of its health system and mitigate the employment and social impacts of the pandemic in the long term. It also gave advice on medium-term measures to support the business environment, especially SMEs and the self-employed, notably by the provision of liquidity. The National Strategy Group points out that these measures are necessary, while placing emphasis on the need to protect people rather than cater to the business environment.

In the 2019 country-specific recommendations, the Commission had advised Belgium to “remove disincentives to work and strengthen the effectiveness of active labour market policies, in particular for low-skilled, older workers and people with a migrant background”. The NSG supports the strengthening of labour market policies aimed at low-skilled and vulnerable groups. However, its diagnosis of labour market policies differs from that of the country-specific recommendations. The Commission seems to adhere to the “disincentives to work” narrative that the National Strategy Group specifically reported to be detrimental to social protection in Belgium.



COUNTRY MONITOR: BULGARIA



Despite recent improvements, Bulgaria continues to underperform in addressing structural inequalities, which are expected to worsen with the Covid-19 outbreak. Income inequality stands at a quintile ratio of 8.1, 53% of people live either on or below the minimum wage, and Bulgaria ranks 19th in the Gender Equality Index. Even though unemployment levels at 4.6% are below EU average, these rates do not reflect the situation of Roma, young people and people with disabilities. Not only are these social groups employed at a lower rate but they are also more vulnerable to precariousness and worse living conditions as reported by SOLIDAR’s National Strategy Group (NSG) in Bulgaria. Nevertheless, the NSG considers

youth and Roma mediators as well as compulsory quotas for people with disabilities as positive improvements in active targeted employment measures. As for the state of social protection, both the Country Specific Recommendation and the NSG indicate the need to address the barriers to essential services, with co-payment in healthcare as a particular concern in times of the Covid-19 pandemic. Furthermore, a significant deterioration of the civic space has been noted in Bulgaria with the NSG especially concerned with threats to CSO activity on the counts of anti-Bulgarian-ness, inconsistencies in restrictions of freedom of assembly and constraints to freedom of press favoring pro-government voices.

	2018	2019	EU-28 2019
Gini index ¹	39.6	40.8	30.1
Unemployment ²	5.2%	4.2%	6.3%
Gender Equality Index ³	58.8 (2019)	59.6 (2020)	67.9 (2020)
In-work poverty ⁴	10.1%	9.0%	9.2%
Housing Overcrowding ⁵	41.6%	41.1%	15.6%
CIVICUS Civic Space Monitor ⁶		NARROWED	N/A

Selected indicators on the state of social rights

1 Eurostat (2020). Gini coefficient of equivalised disposable income: http://appsso.eurostat.ec.europa.eu/nui/show.do?lang=en&-dataset=ilc_di12

2 Eurostat (2020). Unemployment by sex and age: annual data: https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_rt_a&lang=en

3 European Institute for Gender Equality (2019). Gender Equality Index: <https://eige.europa.eu/gender-equality-index/2019/country/BG>

4 Eurostat (2020). In-work at-risk-of-poverty-rate : <https://ec.europa.eu/eurostat/databrowser/view/tespm070/default/table?lang=en>

5 Eurostat (2020). Overcrowding rate by age, sex and poverty status – total population: https://ec.europa.eu/eurostat/databrowser/view/ilc_lvho05a/default/table?lang=en

6 CIVICUS (2020). Civic space monitor - Bulgaria: <https://monitor.civicus.org/country/bulgaria/>

EQUAL OPPORTUNITIES AND ACCESS TO THE LABOUR MARKET

The Bulgarian National Strategy Group (NSG) led by the Institute for Social Integration has reported no major changes to the taxation system in the last year in Bulgaria. The flat 10% personal income tax, lowest rate for such in the EU⁷, continues to be incapable of financing an adequate welfare system, as reported by the NSG. Despite steady economic growth throughout 2018 and 2019⁸, taxation revenues as percentage of GDP remain one of the lowest in the EU⁹. Furthermore, a decreasing social protection expenditure since 2016¹⁰ increases the already high tax burden on low income families.

As a result, the NSG considers that Bulgaria is underperforming when addressing existing inequalities. Even though unemployment rates are below EU average at 4.6%¹¹, severe income disparities exist between the highest and lowest earners. The income inequality rate is the lowest in the EU at 8.1, but has been increasing since 2018¹². 76% of people declaring monthly income receive less than a monthly net figure of EUR 460, and 53.85% of the same total declare a monthly net income equal or below the

minimum wage of EUR 286^{13,14}. In comparison to 2017, the percentage of population in the lowest income bracket seems to be on the rise by 1.8% of the population of 2017, whereas the highest income bracket has increased by 14% in population, as reported by the NSG.

Bulgaria's performance in the Gender Equality Index has improved since 2015 but it still remains below the EU average, ranking at 19th with a score of 58.8¹⁵. Even though the gender employment gap at 8.6% and the gender pay gap at 13.5% are below EU average¹⁶, the move towards gender equality is taking place at a slower speed than the rest of the Union. EIGE indicates that more improvements have to be seen in the income and work-life balance domains¹⁷. Yet both the European Equality Law Network and the NSG have not reported any new policy developments for gender equality since 2018^{18, 19}. Furthermore, the NSG discloses a lack of access to information regarding gender mainstreaming initiatives through the National Council on Equality between Women and Men, the official advisory body to the Council of Ministers.

7 European Commission (2020) Taxation Trends in the European Union: 2020 Edition https://ec.europa.eu/taxation_customs/sites/taxation/files/taxation_trends_report_2020.pdf

8 European Commission (2020) Country Report Bulgaria 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0501&from=EN>

9 European Commission (2020) Taxation Trends in the European Union: 2020 Edition https://ec.europa.eu/taxation_customs/sites/taxation/files/taxation_trends_report_2020.pdf

10 Eurostat (2020) General government expenditure by function (COFOG) <https://appsso.eurostat.ec.europa.eu/nui/submitView-TableAction.do>

11 National Statistical Institute (2020) Labour Force Survey Quarterly Data: Unemployed and unemployment rates – national level <https://www.nsi.bg/en/content/6481/unemployed-and-unemployment-rates-national-level-statistical-regions>

12 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

13 Draganov, Nikolay (2019) Close to 80% of the income in Bulgaria is less than 460 euro <https://en.baricada.org/bulgaria-income-2018/>

14 Bellamy, Daniel (2019) Bulgarians endure lowest minimum wage in the EU <https://www.euronews.com/2019/02/08/bulgarians-endure-lowest-minimum-wage-in-the-eu>

15 European Institute for Gender Equality (2020) Gender Equality Index 2019: Bulgaria <https://eige.europa.eu/gender-equality-index/2019/BG>

16 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

17 European Institute for Gender Equality (2020) Gender Equality Index 2019: Bulgaria <https://eige.europa.eu/gender-equality-index/2019/BG>

18 European Equality Law Network (2019) European equality law review 2019/2 <https://www.equalitylaw.eu/downloads/5005-european-equality-law-review-2-2019-pdf-3-201-kb>

19 European Equality Law Network (2020) European equality law review 2020/1 <https://www.equalitylaw.eu/downloads/5182-european-equality-law-review-1-2020-pdf-1-057-kb>

GOOD PRACTICE

The programme “Warm Breakfast and Warm Lunch” has been introduced nation-wide and intends to improve the wellbeing of Roma minority children. This is achieved by ensuring that local municipalities guarantee access to two meals a day for this vulnerable group in exchange for their enrolment in formal education. Not only does the programme cover their nutritional needs but it also provides these children with a safe space to develop educational skills during the day.

The education system in Bulgaria still faces major challenges in terms of quality and inclusiveness. The latest data on underachievement shows that Bulgaria ranks the lowest in the EU, with geography and socio-economic background strongly influencing academic performance²⁰. The rate of early leavers is also amongst the highest in the EU at 13.9 %²¹, the ROMA population being more vulnerable to this trend due to school segregation and serve poverty barriers²². The NSG reported that the expected results of the transfer of competence on programme design to education centres to adapt to local specificities in 2018 have not materialised. Despite complying with these changes, schools have closely imitated each other, thus not finally implementing real change at this level. Furthermore, the NSG requests an increase in the capacity of municipal- and state-level childcare to develop early-leaver programmes to tackle the low rate of participation in early childhood education.

Currently at 2.4%, the share of long-term unemployment in Bulgaria has been declining since 2013, slowly converging towards the EU average²³. Although this results from positive labour market developments, the figure does not reflect the situation of the most vulnerable, for which integration into the labour market remains slow. Roma, young people, and people in rural areas have an unemployment rate of 55%, 12.5% and 9.4% respectively^{24 25}. In the hopes of ameliorating this situation, Bulgaria has introduced youth and Roma mediators and developed mobile labour offices to reach out to these groups²⁶.

The National Strategy Group has recently noticed a significant development in the integration of people with disabilities. Following consultations with social partners, Parliament voted in favour of the Integration of Persons with Disabilities Act in force since 2019 and reinforced by the National Strategy for People with Disabilities²⁷. Amongst the newly introduced measures are employment quotas for companies with over 50 employees with additional financial benefits to assure the accessibility of the workplace. Non-compliance with the quotas results in fines of EUR 2,500 or higher as a way to finance a Compensation Fund destined for the improvement of social services for people with disabilities. The NSG welcomes this measure as a step in the right direction to address this labour market inequality, as the employment rate of people with disabilities in Bulgaria remains the lowest in the EU at 39.5%²⁸.

20 European Commission (2020) Country Report Bulgaria 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0501&from=EN>

21 European Commission (2020) Social Scoreboard 2020 <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

22 European Commission (2020) Country Report Bulgaria 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0501&from=EN>

23 European Commission (2020) Social Scoreboard 2020 <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

24 National Statistical Institute (2020) Labour Force Survey Quarterly Data: Unemployed and unemployment rates – national level <https://www.nsi.bg/en/content/6481/unemployed-and-unemployment-rates-national-level-statistical-regions>

25 European Commission (2020) Country Report Bulgaria 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0501&from=EN>

26 Ibid.

27 European Equality Law Network (2019) European equality law review 2019/1 <https://www.equalitylaw.eu/downloads/4930-european-equality-law-review-1-2019-pdf-1-051-kb>

28 European Commission (2020) Country Report Bulgaria 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0501&from=EN>

WORKING CONDITIONS AND DEMOGRAPHIC CHANGES

The NSG points out that precariousness is widespread in Bulgaria as has been confirmed by several studies in recent²⁹. With 21% of the economy developing in the grey sector and 16% of labour undeclared³⁰, precariousness is concentrated in the agriculture, manufacturing, and construction industries. The main drivers of this labour market trend in Bulgaria are high involuntary and marginal part time work and a lower-than-average perception of job security³¹. This is further evidenced by the fact that the most recurrent reasons for recent unemployment are redundancies and end of seasonal or temporary job³². The NSG further adds that low trade union density also weakens the capacity to reach collective labour agreements at company level in all sectors, further hindering the possibilities to face precariousness. Young people recently entering the labour market, older workers closer to the retirement age and people with disabilities are the most vulnerable to this trend, as identified by the NSG.

Given these working conditions, emigration to other EU, notably to Germany, the UK and Spain, are contributing to the diminishing working-age population and to the changes in economic development³³. In 2018, 50,000

Bulgarians, mostly between the ages of 25 and 49, left the country in search for better employment and living conditions³⁴. This trend further exacerbates the labour market shortages and is expected to hit the education and healthcare sector in rural areas the hardest³⁵.

INCLUSION OF ASYLUM SEEKERS

Despite the enactment of the National Strategy for Integration on Migration, Asylum and Integration 2015-2020, the NSG believes that not enough action is being taken to process the asylum petitions. The Strategy has not been followed by any specific action plans, targeted funding allocations, or provision of social inclusion programmes such as civic education, language classes or vocational training³⁶. Nevertheless, a separate regulation adopted in 2017, which regulated the agreement between asylum seeker and the State³⁷, ensured access to a social protection and integration service package through municipalities on a voluntary basis. Not only is the implementation of this more recent act slow, but the NSG also indicates a lack of reporting concerning the number of agreements reached. They are of the opinion that only 64 Syrian asylum seekers have officially been accepted through this procedure, given that this is the only available information.

29 Marshall, Shelly (2019) Living Wage: regulatory Solution to Informal and Precarious Work in Global Supply Chains <https://books.google.bg/books?id=qRmEDwAAQBAJ&pg=PA99&lpg=PA99&dq=precariousness+bulgaria&source=bl&ots=aCDWvP-Mds4&sig=ACfU3U1h1KORgpYqxiZRIVbVm4wZSUeUjQ&hl=bg&sa=X&ved=2ahUKewjxnNGSsonqAhVP1BoKHUCNDXgQ6AEwCHoECAGQAQ#v=onepage&q=precariousness%20bulgaria&f=false>

30 Eurofound (2019) Bulgaria: Latest developments in working life Q3 2019 <https://www.eurofound.europa.eu/publications/article/2019/bulgaria-latest-developments-in-working-life-q3-2019#footnote-ZrS0P-2>

31 European Parliament (2016) Precarious Employment in Europe: Patterns, Trends and Policy Strategy https://pure.uva.nl/ws/files/2753967/175863_2016_Final_Publication_Precarious_Work_European_Parliament.pdf

32 National Statistical Institute (2020) Labour Force Survey Quarterly Data: Unemployed and unemployment rates – national level <https://www.nsi.bg/en/content/6481/unemployed-and-unemployment-rates-national-level-statistical-regions>

33 Georgieva, Maria (2019) Reversing the brain-drain: How Plovdiv lures young Bulgarians home <https://www.theguardian.com/cities/2019/may/07/reversing-the-brain-drain-how-plovdiv-lures-young-bulgarians-home>

34 European Commission (2020) Country Report Bulgaria 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0501&from=EN>

35 Ibid.

36 European Commission (2020) Governance of Migrant Integration in Bulgaria <https://ec.europa.eu/migrant-integration/governance/bulgaria>

37 Official Journal of the Republic of Bulgaria (2017) Decree № 144 of 19 July 2017 on the adoption of an Ordinance on the terms and conditions for concluding, implementing and terminating the agreement on the integration of aliens with asylum or international protection <https://dv.parliament.bg/DVWeb/showMaterialDV.jsp?idMat=116399>

SOCIOECONOMIC IMPACT OF COVID-19

Following the outbreak of the Covid-19 pandemic, Bulgaria declared a state of emergency in March 2020. To curb the impact on the healthcare service and prevent the pandemic from further spreading in the country, this unprecedented decision introduced restrictions on mobility within the country and obligatory quarantine on people entering the country³⁸.

The NSG also reported additional repercussions in the integration of migrants. As in-person public administration procedures had been suspended, only permits were extended for long-term migrants with residence permits, family members of Bulgarian citizens and family members of EU citizens, leaving out beneficiaries of international protection. Furthermore, the NSG informs that asylum seekers were immediately put into quarantine with no access to assistance or counselling. Furthermore, access to justice and legal protection was limited for detainees facing deportation due to similar measures.

To combat the socio-economic impact, Bulgaria has mobilised BGN 870 million (+/- €445 million) to mitigate the socio-economic consequences of the pandemic³⁹. Amongst other fiscal measures, the employment protection

scheme for companies in sectors severely affected by the preventative measures or those who prove a 20% of income loss provided the possibility for the State to fund 60% of workers' salary, with the company paying the rest of the amount.

Nevertheless, the NSG raises some concerns on the effectiveness of employment protection. The coalition government modified the Bulgarian Labour Code's dismissal provisions to facilitate labour conditions regulation during the state of emergency. However, the NSG warns this decision has lifted key protective measures and given more flexibility for employers to proceed with dismissals of permanent staff. As a result, this measure has contributed to the rise in unemployment mostly from the catering and tourism sectors between March and May 2020, according to CITUB⁴⁰. The precariousness of this environment also applied additional pressure on youth employment. The unemployment rates for this age group increased at a much higher rate, rising from 12% in March to 14.2% in April⁴¹. The NSG declares that most of these dismissals were carried out on mutual agreement between the interested parties with an additional verbal promise to rehire them once quarantine measures were to be lifted. This has left them not only with an uncertainty regarding their future employment situation, but also reduced their entitlement to compensation.

38 Reuters (2020) Bulgaria will not extend state of emergency, but some curbs stay: minister <https://www.reuters.com/article/us-health-coronavirus-bulgaria/bulgaria-will-not-extend-state-of-emergency-but-some-curbs-stay-minister-idUSKBN22G28K>

39 European Commission (2020) Recommendation for a Council Recommendation on the 2020 National Reform Programme of Bulgaria and delivering a Council opinion on the 2020 Convergence Programme of Bulgaria <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020DC0502&from=EN>

40 Jordanova, Veselina (2020) One in five unemployed from closed hotels or restaurants <https://www.dnes.bg/business/2020/04/23/vseki-peti-bezroboten-ot-zatvorenite-hoteli-ili-restoranti.447193>

41 Eurostat (2020) Unemployment by sex and age – monthly data <https://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

SOCIAL PROTECTION AND INCLUSION

Bulgaria is the poorest country in the EU and this is reflected in the current living conditions, the impact of the income inequalities and the situation of those receiving the lowest income, as reported by the National Strategy Group (NSG). The AROPE rate of 32.5%⁴² has been the highest in the EU ever since Bulgaria's accession. Even though improvements have taken place since 2015, the degree of such positive change has slowed down since 2018⁴³. In this context, the in-work poverty is also rising and currently stands at 10.1% for the overall population and 15.4% for youths⁴⁴. Poverty disproportionately impacts some social groups, with the AROPE rates for Roma reaching 86%⁴⁵, 49.5% for people with disabilities⁴⁶, and around 20% for elderly people⁴⁷. 19%⁴⁸ of children are furthermore at risk of poverty and social exclusion, which is why Bulgaria ranks second to last in the EU at 45th in the WHO-UNICEF-Lancet Commission Flourishing Index⁴⁹. The impact of poverty also varies geographically, as rural areas are more at risk of poverty exacerbated by barriers to accessing services. The North West's AROPE rate is currently double that of the South Western capital region⁵⁰. Furthermore, the NSG expects these living conditions to worsen as a result of the socio-economic and health COVID-19 crisis.

The positive impact of social transfers on reducing poverty in Bulgaria is below EU average and has been decreasing since 2018 reaching

the current rate of 23.7%. This underlines why the NSG regards the evaluation of poverty eradication efforts as being insufficient. Given the lack of sufficient resources allocated to poverty eradication, Bulgaria greatly depends on the European Programme for Aid to the most Deprived (FEAD) with an allocated budget of EUR 104.8 million from this programme, met with EUR 18.5 million from national funds⁵¹. Despite the government's announcement of a 6.7% rise for pensions, the NSG reports that 800,000 Bulgarians still receive the minimum amount for pensions of EUR 125 following recent data of the Bulgarian Insurance Institute. As pensions are persistently at 70% of the minimum wage, many elderly people rely on income earned through additional work⁵².

Moreover, the NSG highlights serious concerns regarding access to affordable housing. With rising housing prices in the last years, Bulgaria continues to struggle to reduce housing deprivation, currently 10 times the EU average. Housing costs contribute to overburden low-income households to the extent that 50% of households below the poverty line are unable to shoulder the costs⁵³. As housing competences have been transferred away from the national level, the NSG discloses that municipalities are struggling to find the funds to build new affordable housing units or renovating existing units. The National Strategy Group reports that due to the fact that there are no

42 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

43 Ibid.

44 European Commission (2020) Country Report Bulgaria 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0501&from=EN>

45 Ibid.

46 Ibid.

47 Hallaert, Jean-Jacques (2020) IMF Working Paper: Inequality, Poverty and Social Protection in Bulgaria (<https://www.imf.org/en/Publications/WP/Issues/2020/07/31/Poverty-and-Social-Protection-in-Bulgaria-49552>)

48 Ibid.

49 Clark, H. et al. (2020) A future for the world's children? A WHO-UNICEF-Lancet Commission [https://www.thelancet.com/journals/lancet/article/PIIS0140-6736\(19\)32540-1/fulltext](https://www.thelancet.com/journals/lancet/article/PIIS0140-6736(19)32540-1/fulltext)

50 European Commission (2020) Country Report Bulgaria 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0501&from=EN>

51 European Commission (2018) FEAD Country Fiche – Bulgaria <https://ec.europa.eu/social/main.jsp?catId=1239&langId=en&intPagId=3605>

52 Hallaert, Jean-Jacques (2020) IMF Working Paper: Inequality, Poverty and Social Protection in Bulgaria (<https://www.imf.org/en/Publications/WP/Issues/2020/07/31/Poverty-and-Social-Protection-in-Bulgaria-49552>)

53 European Commission (2020) Country Report Bulgaria 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0501&from=EN>

homelessness prevention policies or reintegration frameworks in place; at-risk households depend on traditional informal practices from mayors and clerks to find affordable housing, which often leave out Roma and migrants as a result of persistent prejudices.

Life expectancy and the extent of self-reported unmet needs for medical care have significantly improved since 2008. Men and women live on average 71,4 and 78,4 years respectively⁵⁴. Only 1.4% of the population self-report unmet medical needs in 2019, compared to 15.3% in 2008⁵⁵. Part of this improvement is due to improvements in availability, affordability and accessibility of the healthcare system since Bulgaria joined the EU. Yet the NSG highlights that these developments have only benefited those in urban areas and with enough disposable income to afford combining both private and public care services. With 14% of the population un-insured⁵⁶, out-of-pocket expenditure on healthcare in Bulgaria through the co-payment method still is amongst the highest in the EU at 46.6%⁵⁷, further overburdening low-income households. Rural residents greatly depend on the infrastructure of the nearest main town for primary care or on Sofia, Plovdiv and Varna for specialized care, as reported by the NSG. This set-up only increased the pressure on the healthcare system, already experiencing difficulties in paying medical staff and more specifically nurses. Plans for a healthcare reform have been announced, yet these will further privatise the healthcare system⁵⁸

Access to healthcare for migrants and asylum seekers is even further restricted due to barriers to obtain insurance and a lack of

interpretation services, and show similar issues as uninsured Bulgarians, according to the NSG. The Council of Europe's Committee for the Prevention of Torture and Inhuman or Degrading Treatment of Punishment⁵⁹ has also raised concerns regarding the medical infrastructure in detention centres, still showing signs of a lack of medical equipment, psychological care and non-emergency services. Through the participation of Bulgaria projects such as UNICEF health programme, the NSG hopes that at least the access to healthcare for children in migrant camps improves.

In the context of the transition towards a green economy, Bulgaria is still dependent on coal, its primary source for energy and electricity⁶⁰. The 2021-2030 Energy and Climate Plan intends to address this by committing Bulgaria to reach a minimum of 27.09% of the total energy production to originate from renewable sources by 2030⁶¹. Nevertheless, the biggest worry of the NSG is the necessary transformation of the economy to reach these goals, with a potential to threaten a considerable number of jobs. In the provinces of Stara Zagora, Pernik and Kyustendi, the mining industry employs around 15,000 people and their economies are poorly diversified. These regions risk a negative socioeconomic impact if the decarbonisation plans are not met just transition strategy. That is why the Parliament approved the Mining Areas in Transition programme, reliant on EU fund, specifically focused on re-skilling the labour force towards the digital economy⁶². To combat the high rates of energy poverty, Bulgaria is expected to introduce a social assistance system, yet concrete measures have not been presented⁶³.

54 Bulgarian National Statistics Institute

55 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

56 European Commission (2020) Country Report Bulgaria 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0501&from=EN>

57 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

58 European Commission (2020) Country Report Bulgaria 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0501&from=EN>

59 ANSA (2019) Migrants 'need better healthcare assistance in Bulgaria' <https://www.infomigrants.net/en/post/18357/migrants-need-better-healthcare-assistance-in-bulgaria>

60 International Energy Agency (2020) Bulgaria <https://www.iea.org/countries/bulgaria>

61 Ministry of Energy, Ministry of the Environment and Water (2020) Integrated Energy and Climate Plan of the Republic of Bulgaria 2021-2030 https://ec.europa.eu/energy/sites/ener/files/documents/bg_final_necp_main_en.pdf

62 Ibid.

63 European Commission (2020) Country Report Bulgaria 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0501&from=EN>

CIVIC SPACE

The National Strategy Group reports new limitations to civic space in Bulgaria. Even if courts rarely cancel the registration of new organizations, the lack of sustained funding opportunities for Civil Society Organizations (CSOs) is constraining the freedom of association, disproportionately affecting newer NGOs or those without the human and financial capacity to face a new year of activity. In addition to this, the NSG is concerned about the impact of the threat to forcibly dissolve the Bulgarian Helsinki Committee on the grounds of “anti-Bulgarian” attitudes voiced in September 2019 by the coalition partner party VMRO-BND⁶⁴. Even if no legal grounds for such action were found, the NSG reports this has created a precedent to silence critical voices in Bulgaria.

The constraints on the freedom of peaceful assembly, imposed in the light of Covid-19, have not been applied consistently by authorities. This has led the NSG to think that it has been used to silence certain unions and CSOs, whilst allowing anti-vaccine, ultranationalist, and anti-lockdown protests to go ahead.

Both the NSG and Reporters without Borders are concerned about the developments in

freedom of press and speech. Bulgaria continues to be 111th position in the 2020 World Press Freedom Index⁶⁵ as a result of media management interference with investigative journalism, media ownership oligopoly embodied by the member of parliament Delyan Peevski and the Bulgarian National Television abandoning its neutrality policy. This is exacerbated by a lack of transparency in EU and national funding allocation for media, favouring pro-government reporting, and a lack of protection for independent corruption reporting⁶⁶.

Since 2013, CSOs have received more clarity regarding their participation in social dialogue at national, sectoral, regional and enterprise-level⁶⁷. The NSG reports on a new-found possibility for NGO experts to take part in parliamentary committees to contribute to decision-making, but indicates a need for regulations on lobbying to maintain a level of fairness and transparency. Following this regulatory improvement, the NSG would like to see a change in decision-making culture and the political understanding of the role of CSOs to build a foundation for a stronger social dialogue model.

64 Council of Europe (2019) Concern over legal proceedings for de-registration of the Bulgarian Helsinki Committee <https://www.coe.int/en/web/ingo/-/concern-over-legal-proceedings-for-de-registration-of-the-bulgarian-helsinki-committee>

65 Reporters Without Borders (2020) 2020 World Press Freedom Index Ranking <https://rsf.org/en/ranking>

66 Reporters Without Borders (2020) Bulgarian authorities ignore death threats against anti-corruption reporter <https://rsf.org/en/news/bulgarian-authorities-ignore-death-threats-against-anti-corruption-reporter>

67 Voss, Eckhard (2019) Social services and their representation in social dialogue in Bulgaria, Cyprus, Hungary, Lithuania, Malta and Romania <https://www.ceep.eu/wp-content/uploads/2020/02/767-Study-draft4.pdf>

COMPARISON WITH THE COUNTRY SPECIFIC RECOMMENDATIONS

Given the extraordinary situation of the socio-economic crisis of the Covid-19 pandemic, the European Commission's recommendations for 2020 for Bulgaria acknowledge the extent of territorial and social inequalities and the need to address systemic AROPE rates. These also closely resemble the picture painted by the National Strategy Group and their worries on the distancing between the capital and the remaining regions, as well as between urban and rural areas.

Both the Commission and the NSG reflect upon a need to strengthen the welfare state to be able to combat the crisis and pre-existing shortcomings. Amongst the recommendations, the targeted services with ample room for improvement are healthcare, education, the minimum income scheme, and active employment and poverty alleviation programmes. Increasing access to healthcare regardless of insurance coverage and geographical location, designing targeted measures for informal workers' precarious situation, ensuring income support,

food and adequate social services for the most vulnerable and providing emergency housing for homeless closely resemble the requests provided by the NSG's analysis of Bulgaria.

Nevertheless, more connection between the recommendations and other recurring issues can be made. When proposing the transitions to e-governance to reach all the territory equally, the Commission fails to acknowledge the positive impact it can have on facilitating asylum claims and guarantee asylum seekers and migrants' access to other essential health and legal services, especially during confinement when mandatory in-person are unavailable. The recommendations on active employment measures adapt to digitalization, such as re- and up-skilling, fail to consider how these can contribute to the transition to a greener economy. Furthermore, no clearance is given on provisions for employment and social assistance through Just Transition programmes, despite concerns on Bulgaria's ongoing high dependency on fossil fuels for its energy.



COUNTRY MONITOR: CROATIA



Croatia has seen several of its macroeconomic indicators improve since its accession to the EU. For instance, its unemployment rate went down from 17.3% in 2013 to 6.6% in 2019¹ – a drop that can be accounted for by the rise in emigration of workers to other EU States. For other indicators, like the risk-of-poverty rate of 23.3%,² the country has made progress but performs worse than the EU average. However, all these figures hide persisting social and geographical disparities, as reported by SOLIDAR’s Croatian National Strategy Group (NSG) led by the Centre for Peace Studies (CMS). Moreover, a fragmented trade union movement is struggling to address increasing labour precariousness and violations of the

labour code, which are driving a further deterioration in working conditions. In the face of these growing inequalities, the recent taxation reforms continue to disproportionately impact vulnerable groups and will likely weaken the social protection system. The NSG is especially worried about the existential insecurity caused by inadequate standards of living, due to factors such as the precarity of labour; inadequate, expensive housing; and low quality and access to health and social services. Another pressing issue it points out is the poor implementation of policies, in light of which the NSG is sceptical about the Croatian government’s capacity to tackle the socio-economic impacts of the Covid-19 outbreak.

	2018	2019	EU-28 2019
Gini index ³	29.6	29.2	30.1
Unemployment ⁴	8.5%	6.6%	6.3%
Gender Equality Index ⁵	55.6 (2019)	58.0 (2020)	67.9 (2020)
In-work poverty ⁶	5.2%	5.0%	9.2%
Housing Overcrowding ⁷	39.3%	38.5%	15.6%
CIVICUS Civic Space Monitor ⁸		NARROWED	N/A

Selected indicators on the state of social rights

1 Eurostat (2020). Unemployment by sex and age: annual data: https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_rt_a&lang=en

2 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

3 Eurostat (2020). Gini coefficient of equivalised disposable income: http://appsso.eurostat.ec.europa.eu/nui/show.do?lang=en&dataset=ilc_di12

4 Eurostat (2020). Unemployment by sex and age: annual data: https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_rt_a&lang=en

5 European Institute for Gender Equality (2020). Gender Equality Index: <https://eige.europa.eu/gender-equality-index/2020/HR>

6 Eurostat (2020). In-work at-risk-of-poverty-rate : <https://ec.europa.eu/eurostat/databrowser/view/tespm070/default/table?lang=en>

7 Eurostat (2020). Overcrowding rate by age, sex and poverty status – total population: https://ec.europa.eu/eurostat/databrowser/view/ilc_lvho05a/default/table?lang=en

8 CIVICUS (2020). Civic space monitor - Croatia: <https://monitor.civicus.org/country/croatia/>

EQUAL OPPORTUNITIES AND ACCESS TO THE LABOUR MARKET

Prior to the Covid-19 outbreak, Croatia was expected to experience reduced economic growth in 2019 in comparison to previous years, counterbalanced only by improvements in labour market rates.⁹ The employment rate grew from 2013 to the end of 2019,¹⁰ when it reached 66.7%. The unemployment rate was 6.6%¹¹ in 2019, having decreased continuously since 2014. Youth unemployment followed a similar trend, decreasing since 2013 from 50% to 16.6% at the end of 2019.¹² Nevertheless, these positive developments did not take into account the shrinking population of Croatia due to higher emigration flows and a declining birthrate, which have an impact on the labour market and social protection system.¹³

As part of an amendment plan initiated in 2016, taxation reforms introduced in 2020 led only to minor changes, (CMS)¹⁴, ¹⁵. By backtracking on several promises – to reduce the 25% VAT rate, extend the 13% reduced-VAT rate and increase

the basic monthly deduction for income tax to HRK 4,000, Croatia will continue to depend on the taxation of consumption¹⁶. Amongst other amendments, the NSG highlights the introduction of a tax break for young people with an annual tax base of HRK 360,000 or below¹⁷. People aged 25 or less years are exempt from paying income tax, and those aged 26 to 30 will only pay up to half the tax they would normally pay. Even if these additional tax exemptions contribute to a reduction of taxation on labour, they will lead to no significant changes given the low number of employed persons paying personal income tax, unchanged net wages¹⁸ and the low share of direct taxes in total government revenue¹⁹. Because of these reforms, the overall reduction in tax revenue of HRK 2.4 billion²⁰ weakens social protection and hinders efforts to combat rising inequality. This is especially concerning, as a recent publication from the Croatian National Bank reveals that Croatia²¹ has a Gini coefficient of 0.44²², with 85% of

9 European Commission (2020) Country Report Croatia 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0510&from=EN>

10 Eurostat (2020) Employment and activity by sex and age – annual data https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfsi_emp_a&lang=en

11 Eurostat (2020) Unemployment by sex and age – annual data https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_rt_a&lang=en

12 Eurostat (2020) Unemployment by sex and age – monthly data <https://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

13 European Commission (2020) Country Report Croatia 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0510&from=EN>

14 Ministry of Finances (2020) Tax Administration : Regulations 2019 https://www.porezna-uprava.hr/HR_porezni_sustav/_layouts/15/in2.vuk2019.sp.propisi.intranet/propisi.aspx?id=pro1467

15 Novilist (2019) Kreće četvrti krug porezne reforme: Evo što se sve mijenja i na koji vas se način tiče https://www.novilist.hr/Vijesti/Hrvatska/Krece-cetvrti-krug-porezne-reforme-Evo-sto-se-sve-mijenja-i-na-koji-vas-se-nacin-tice/?meta_refresh=true

16 European Commission (2020) Taxation Trends in the European Union: Data from the EU Member States, Iceland and Norway https://ec.europa.eu/taxation_customs/sites/taxation/files/taxation_trends_report_2020.pdf

17 Ministry of Finance (2020) Tax Administration : Regulations 2019 https://www.porezna-uprava.hr/HR_porezni_sustav/_layouts/15/in2.vuk2019.sp.propisi.intranet/propisi.aspx?id=gru1

18 European Commission (2020) Country Report Croatia 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0510&from=EN>

19 European Commission (2020) Taxation Trends in the European Union: Data from the EU Member States, Iceland and Norway https://ec.europa.eu/taxation_customs/sites/taxation/files/taxation_trends_report_2020.pdf

20 Croatian Chamber of Trades and Crafts (2019) Tax changes from January 1, 2020 <https://www.hok.hr/obavijesti/porezne-promjene-od-1-sijcnja-2020-godine>

21 Croatian National Bank (2019). Macroeprudential Diagnosis no. 9: https://www.hnb.hr/web/guest/analize-i-publikacije/re-dovne-publikacije/makroprudencijalna-dijagnostika/html/-/asset_publisher/Tzltcw964pu/content/makroprudencijalna-dijagnostika-br-9

22 Ivanković, Željko (2020) Gini coefficient of income inequality 0.44 - 0.51. Croatian 1 percent of the richest. CNB Household Survey <http://ideje.hr/ginijev-koeficijent-nejednakosti-dohotka-044-051-hrvatskih-1-posto-najbogatijih-hnb-ova-anketa-o-imovni-kucanstava/>

households earning less than the average net wage of HRK 5,985²³, a sign of extremely high income inequality.

Integration efforts to guarantee equal opportunities for vulnerable groups have fallen short of their objectives, as indicated by the NSG. The extension of the Active Employment Measures to asylum seekers, those under international protection and their family members was meant to cover language needs, develop employment profiles and provide work experience. Yet, the quality of the courses has been low, and asylum seekers were not referred to Croatian language courses by the Croatian Employment Service. The NSG believes these are two factors driving the exclusion of this social group from the labour market and Croatian society. Only two applicants for international protection were taking part in the individualised employment-counselling programme in 2019.²⁴ In addition, the active employment measures have yet to address antigypsyism, a special form of racist prejudice against Roma communities that contributes to them often being discarded as potential employees. According to a survey conducted by CMS, in Croatia “18.7% of Roma are in some form of employment (7.3% work full time; 9.2% are in occasional or temporary work; while 2.1% are self-employed)”.²⁵

WORKING CONDITIONS AND COLLECTIVE ACTION

Given its added impact on the erosion of rights and working conditions, labour precariousness is amongst the current most pressing

social issues, according to the National Strategy Group. Croatia’s low unemployment rates hide the fact that a significant proportion of people of working age are experiencing involuntary temporary work and are performing undeclared or unpaid work. Almost one in five workers in Croatia are working under temporary contracts, of whom 86% are doing this involuntarily.²⁶ Given that only 7% of part-time workers transitioned to fulltime work and 10% from fixed-term to permanent positions,²⁷ mobility towards less precarious working contracts seems to be limited. Furthermore, undeclared work, fuelled by low-quality job offers and a lack of regulatory and inspection capacity, is having an impact on social security coverage and adherence to labour code standards.²⁸ Whilst only 4% of the population have admitted carrying out undeclared work, 42% say they know of someone engaging in undeclared work.²⁹ The annual Ombudsman Report for 2019 indicates a rise in complaints over labour irregularities such as non-payment of salaries, inadequate registration of working hours, abuse of overtime work and abnormalities in the termination of contracts. Amongst other data, 83 cease-of-activity decisions for employers breaking the labour code were reported in 2019, as well as 7,729 instances of workers not being paid the minimum wage.³⁰ Whilst undeclared work disproportionately affects manual workers, low-skilled people and the unemployed and retired,³¹ the NSG reports that precariousness also impacts refugees and migrants. This is due to the above-mentioned barriers to formal employment, leading this social group to experience greater pressure to accept worse working conditions.

23 Ivanković, Željko (2020) Gini coefficient of income inequality 0.44 - 0.51. Croatian 1 percent of the richest. CNB Household Survey <http://ideje.hr/ginijev-koeficijent-nejednakosti-dohotka-044-051-hrvatskih-1-posto-najbogatijih-hnb-ova-anketa-o-imovini-kucanstava/>

24 Croatian Law Centre (2020) Asylum Information Database Country Report: Croatia 2019 Update <https://www.asylumineurope.org/reports/country/croatia>

25 Center for Peace Studies (2018). https://www.cms.hr/system/publication/pdf/109/Roma_Inclusion_in_the_Croatian_Society.pdf

26 European Commission (2020) Country Report Croatia 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0510&from=EN>

27 European Commission (2019) Country Report Croatia 2019 https://ec.europa.eu/info/sites/info/files/file_import/2019-european-semester-country-report-croatia_en.pdf

28 Iva Tomić, Ivica Rubil, Danijel Nestić, Paul Stubbs (2019) The employment and social situation in Croatia [https://www.europarl.europa.eu/RegData/etudes/STUD/2019/642345/IPOL_STU\(2019\)642345_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2019/642345/IPOL_STU(2019)642345_EN.pdf)

29 European Commission (2020) Special Eurobarometer 498 Report: Undeclared Work in the European Union <https://ec.europa.eu/commfrontoffice/publicopinion/index.cfm/survey/getsurveydetail/instruments/special/surveyky/2250>

30 Ombudsman of the Republic of Croatia (2020): Annual Ombudsman Report for 2019 <https://www.ombudsman.hr/wp-content/uploads/2020/03/Izvje%C5%A1%C4%87e-pu%C4%8Dke-pravobraniteljice-za-2019.pdf>

31 Iva Tomić, Ivica Rubil, Danijel Nestić, Paul Stubbs (2019) The employment and social situation in Croatia [https://www.europarl.europa.eu/RegData/etudes/STUD/2019/642345/IPOL_STU\(2019\)642345_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2019/642345/IPOL_STU(2019)642345_EN.pdf)

When assessing labour practices, the NSG saw in the fragmented union environment an explanation for the loss of collective bargaining power to address these infringements. Only 26% of workers are estimated to be members of one of the 328 nationally registered unions or the 298 operating in a single county. Unions have experienced continuous losses in membership over the last five years.³² As the current legislation stipulates that only one union representing employees in an organisation is allowed to sign collective agreements, many unions compete with each other for that position.³³ The NSG further indicates additional complications for the unionisation of precarious workers and those under new forms of employment with short-term contracts and insecure employment conditions. As a result, only 53% of dependently employed workers in Croatia are covered by collective agreements.³⁴

Nevertheless, some recent examples of union action have captivated the attention of the NSG. Reacting to the planned increase in the statutory retirement age, from 65 for men and 62 for women to 67,³⁵ the Croatian trade union movement initiative 67 Is Too Much obtained sufficient signatures to trigger a referendum. The result led to the cancellation of the increase.³⁶ The 2019 Minimum Wage Act introduced a monitoring and analysis commission in which trade unions could participate. Following negotiations, the unions reached an agreement with the government to raise the minimum monthly salary by 8.33% to HRK 4,062.51 (approx. EUR 550) starting from 2020, despite

falling short of the initial demands.^{37, 38} During autumn 2019, Croatia had a strike in primary and secondary education, with a participation rate of more than 85%. It lasted 36 days, the longest strike action since independence in 1991. Nevertheless, despite a demand to raise education staff salaries by 6.11%, agreement was reached on a raise of 3% exclusively for teachers, with an extension of the Christmas bonus and holiday allowance to HRK 1,500.00 (approx. EUR 200). Non-teaching staff were not covered by the agreement.³⁹

EDUCATION

Croatia's 3%⁴⁰ rate of early leavers from education and training is one of the lowest in the EU, but it does not reflect the extent of compulsory attendance, the quality of the education system or the impact on employability, as reported by the National Strategy Group (NSG). Unlike in most of the EU, education attendance is only compulsory in Croatia from the ages of seven to 15, a period of just eight years.⁴¹ According to the latest PISA report, Croatia's underperformance in basic skills development is higher than the EU and OECD averages,⁴² and meeting the demand for digital skills from the labour market continues to be a challenge. Only 53% of the population are reported to have a basic set of digital skills.⁴³ Furthermore, Croatia's tertiary educational attainment, currently at 33.1%, has yet to reach the EU average.⁴⁴ All of the above are a result of lower-than-EU-average annual instruction time

32 ETUI (2020) National Industrial Relations in Croatia: Trade Unions https://www.worker-participation.eu/National-Industrial-Relations/Countries/Croatia/Trade-Unions#_ftn12

33 Eurofound (2020) Living and working in Croatia <https://www.eurofound.europa.eu/country/croatia#collective-bargaining>

34 Ibid.

35 Croatian Parliament (2013) Decision on promulgating the Pension Insurance Act <http://www.mvep.hr/files/file/dokumenti/prevodenje/zakoni/zakon-o-mirovinskom-osiguranju-nn-157-13-eng.pdf>

36 Eurofound (2020) Living and working in Croatia <https://www.eurofound.europa.eu/country/croatia#collective-bargaining>

37 ETUC (2020) Pay rise for public service workers in Croatia <https://www.etuc.org/en/pay-rise-public-service-workers-croatia>

38 Eurofound (2020) Living and working in Croatia <https://www.eurofound.europa.eu/country/croatia#collective-bargaining>

39 Eurofound (2020) Living and working in Croatia <https://www.eurofound.europa.eu/country/croatia#collective-bargaining>

40 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

41 European Commission/EACEA/Eurydice (2018) Compulsory Education in Europe 2018/19 - Eurydice Facts and Figures. https://eacea.ec.europa.eu/national-policies/eurydice/sites/eurydice/files/compulsory_education_2018_19.pdf

42 OECD (2018) Results from PISA 2018: Croatia Country Note https://www.oecd.org/pisa/publications/PISA2018_CN_HRV.pdf

43 European Commission (2020) Country Report Croatia 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0510&from=EN>

44 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

of 473 hours for primary education and 637 for secondary education;⁴⁵ a shortage of teachers, which disproportionately impacts education and informatics teaching in remote areas; and the lower-than-average wages for higher education staff.⁴⁶ The negative impacts on the quality of education include a lack of skills at all educational attainment levels and a lower rate of employability than the EU average.⁴⁷ Furthermore, the NSG reports a lack of statistical follow-up on vulnerable children after they have passed age 15, which hides the reality of the educational attainment of the most vulnerable, such as the Roma youth community.⁴⁸

GOOD PRACTICE

The Ministry for Science and Education has increased its financial support dedicated to the inclusion of the Roma national minority in the education system in order to reduce the existing educational gap and rate of early school leaving. In addition to offering free access to early childhood education, the Ministry has increased the number of available scholarships and one-time awards for the completion of secondary education.⁴⁹

Against this backdrop, the NSG has reported the introduction of a curriculum reform in 2018, which follows a path of digitalisation, skills development, and a student-centred approach, as seen in the School for life programme.⁵⁰ Both the digitalisation of instruction materials and the introduction of informatics as a

compulsory subject will serve as an incentive to the development of digital competencies and raise students' prospects of future employment. Even though the NSG considers it too early to determine the result of this reform, it is particularly concerned with the introduction of a crosscutting "entrepreneurship" course.⁵¹ While this provides primary and secondary school students with entrepreneurship-related knowledge and skills, its lack of reference to workers' rights, unionisation and collective bargaining means it will not prepare students to be critical or equip them to improve their working and living conditions, according to the NSG.

Reforming vocational education and training programmes has been a challenge in Croatia. Current enrolment stands at 68.5%, below the EU average, and employability of graduates has been increasing from 59.4% in 2017 to the current 68.8%.⁵² The new reform, managed by 25 vocational and educational training (VET) regional centres of competence, introduces a more flexible approach to local specificities by providing 30% room for manoeuvre in the curriculum to adapt the content to the local context and build cross-sectoral partnerships.⁵³ Despite these improvements, structural deficiencies in their design and implementation are limiting the efficacy of such programmes. Students continue to have limited exposure to work experience, with only 23% reporting that they spend half or more of their secondary education in the workplace for training purposes.⁵⁴ Furthermore, the Croatian government has reduced the number of available vocational education and training programmes in favour of

45 European Commission (2019) Education and Training Monitor 2019: Croatia https://ec.europa.eu/education/sites/education/files/document-library-docs/et-monitor-report-2019-croatia_en.pdf

46 European Commission (2020) Country Report Croatia 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0510&from=EN>

47 Ibid.

48 Kunac, Suzana; Klasnic, Ksenija; Lalic, Sara (2018) Roma Inclusion in the Croatian Society: A Baseline Data Study. https://www.cms.hr/system/publication/pdf/109/Roma_Inclusion_in_the_Croatian_Society.pdf

49 Ombudsman of the Republic of Croatia (2020): Annual Ombudsman Report for 2019. <https://www.ombudsman.hr/wp-content/uploads/2020/03/lzvje%C5%A1%C4%87e-pu%C4%8Dke-pravobraniteljice-za-2019.pdf>, p. 25.

50 Ministry of Science and Education (2020) Summary of Monitoring and Evaluation Findings Technical Support to the Implementation of the Comprehensive Curricular Reform in Croatia <https://skolazivot.hr/sazetak-ingleski/>

51 Official Gazette of the Republic of Croatia (2019) Decision on the Adoption of the Curriculum for the Cross-cutting Topic Entrepreneurship for Primary and Secondary Schools in the Republic of Croatia https://narodne-novine.nn.hr/clanci/sluzbeni/2019_01_7_157.html

52 European Commission (2020) Country Report Croatia 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0510&from=EN>

53 European Commission (2019) Education and Training Monitor 2019: Croatia https://ec.europa.eu/education/sites/education/files/document-library-docs/et-monitor-report-2019-croatia_en.pdf

54 European Commission (2020) Country Report Croatia 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0510&from=EN>

more grammar schools, as seen in the Guidelines for building a network of educational facilities and programmes.⁵⁵ According to the NSG, this shift will likely negatively affect low-income and vulnerable students, who depend on the opportunity to earn a salary whilst enrolled in one of the programmes.

GENDER EQUALITY

The NSG has reported no recent substantial changes in gender equality in the last year in the absence of comprehensive gender equality frameworks. Since 2005, Croatia has ranked 22nd on the Gender Equality Index, despite improvements in the money and health domains.⁵⁶ Whilst the gender employment gap of 10.5% has been improving in the last decade,⁵⁷ a decrease in women's participation in political and economic life has been noted. Only 26% of ministers, 20% of members of parliament, 18% of board members and 0% of the central bank board are women.⁵⁸ Despite being below the EU average, the gender pay gap in Croatia has been rising since 2010 and currently stands at 10.5%.⁵⁹ Most worryingly, a rise in femicide and gender-based violent criminal offences has been noted in spite of Croatia's ratification of the Istanbul Convention and adoption of prevention and combatting measures.⁶⁰

In the absence of new policy measures, the NSG highlights reforms in pensions and work-life balance to address gender inequalities in these fields. In a recent push to address the

gender pension gap of 21.6%, the NSG highlights some positive developments in the pension system. Following the inclusion of childcare activities as a pensionable service, 2019 was the first year in which the average pension of women was higher than that of men.⁶¹ The NSG sees the amendment of the Maternity and Parental Assistance Act as a proactive step to ensure work-life balance. Measures are being introduced to strengthen childcare infrastructure, increase financial support for maternity and parental leave and allow more-flexible working arrangements.

IMPACT OF COVID-19

Following the outbreak of Covid-19, the NSG has ranked the socio-economic implications of the pandemic as the most pressing issue that Croatia is currently facing. In the context of a 9.1% decline in GDP in 2020, unemployment is expected to increase to 10.2%, with youth unemployment reaching 24%.⁶² Due to the already precarious employment situation of migrants and refugees, the NSG emphasises how they have been the first to lose their jobs, especially in the service sector. The lockdown measures have also had a significant impact on working mothers. The need to educate children online at home means they have disproportionately had to balance their professional lives with childcare, further undermining their working conditions.

To respond to the socio-economic impact of the pandemic, the Croatian government rolled

55 Ministry of Science and Education (2019) Guidelines for building a network of educational facilities and programmes <https://mzo.gov.hr/UserDocImages//dokumenti/PristupInformacijama/eSavjetovanja-2019//Smjernice%20za%20izradu%20mre%C5%BEE%20%C5%A1kolskih%20ustanova%20i%20programa%20odgoja%20i%20obrazovanja%20-%20e-Savjetovanje%2023-4-2019.pdf>

56 EIGE (2019) Gender Equality Index Score for Croatia for 2019 <https://eige.europa.eu/gender-equality-index/2019/domain/power/HR>

57 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

58 EIGE (2019) Gender Equality Index Score for Croatia for 2019 <https://eige.europa.eu/gender-equality-index/2019/domain/power/HR>

59 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

60 Human Rights House Zagreb (2020) Human Rights in Croatia: Overview of 2019 https://www.kucaljudskihprava.hr/wp-content/uploads/2020/04/KLJP_godisnjelzvjesc2019_ENG_web.pdf

61 Human Rights House Zagreb (2020) Human Rights in Croatia: Overview of 2019 https://www.kucaljudskihprava.hr/wp-content/uploads/2020/04/KLJP_godisnjelzvjesc2019_ENG_web.pdf

62 Eurostat (2020) Unemployment by sex and age – monthly data <https://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

out a series of measures to protect employment and the payment of salaries.⁶³ In addition to the temporary suspension of income and corporate tax collection, a short-term work scheme was set up to provide monthly wage subsidies of a minimum of HRK 4,000 per permanent employee. These were intended to aid companies, especially in the hospitality, transportation, logistics and manufacturing sectors, that disrupted activity left unable to pay their employees' salaries. Furthermore, the Croatian government extended the Permanent Seasonal Worker programme to alleviate disruption in the tourism and construction sectors, which were facing an unprecedented drop in employment. Both measures exempted employers from paying social contributions.

Nevertheless, the implementation of the above-mentioned measures is being subjected to criticism from the Union of Autonomous Trade Unions of Croatia (SSSH), the Independent Croatian Unions and the Association of Croatian Trade Unions, as expressed in a joint

statement released on 8 April.⁶⁴ The amount allocated to employees was based on calculations of the expected drop in economic activity rather than adjusted to real needs. Also, the payments were handed to employers with no additional mechanism to check for previous labour code infringements or sanction employers for malpractices. Further concerns were raised over the lack of transparency with regards to the publicly available list of beneficiaries provided by the authorities, which could not be downloaded or found easily through a search.

As a result of this management, the NSG reports that employees' income gains have been less than initially promised. One in four employers has further cut wages in addition to having their social security contributions reduced, so their employees will be entitled to smaller unemployment benefits in the event of further cut-backs. However, the NSG is awaiting additional statistics and analyses before it can carry out a full evaluation of the secondary effects of the employment and wage-relief measures.

63 Government of the Republic of Croatia (2020) The government has adopted a package of measures to help the economy due to the coronavirus epidemic <https://vlada.gov.hr/vijesti/vlada-prihvatala-paket-mjera-za-pomoc-gospodarstvu-uslijed-epidemije-koronavirusa/29018>

64 SSSH (2020) Statement of trade union centers to the responsible public on the measures of the Government of the Republic of Croatia to mitigate the economic and social consequences of the COVID-19 pandemic <http://www.sssh.hr/hr/vise/-/izjava-sindikalnih-sredisnjica-odgovornoj-javnosti-o-mjerama-vlade-rh-za-ublazavanje-ekonomskih-i-socijalnih-posljedica-pandemije-covid-19-4300>

SOCIAL PROTECTION AND INCLUSION

According to the National Strategy Group, high living costs are decreasing the quality of life and living conditions in Croatia. The 2019 rises in food prices by 1.9%,⁶⁵ house prices by 10.4%,⁶⁶ and rents by 5.3%⁶⁷ add to the already existing pressure from a high standard VAT rate of 25%.⁶⁸ As these developments have not been matched by adequate rises in standard wages, a surge in household indebtedness is taking place in Croatia. Close to 50% of households have expenditure that is higher than their income,⁶⁹ and one in 10 citizens is unable to eat a quality meal every other day.⁷⁰ Due to the outbreak of Covid-19, the NSG expects living conditions to worsen for most of the population in Croatia. The NSG gave the example of elderly Serbs living in rural areas, who were prevented by the lockdown from both cultivating their land and receiving support from their families residing in urban areas.

Improvements in living conditions have resulted primarily from improvements in access to the labour market rather than the success of social protection measures. Social protection expenditure has indeed been decreasing since 2015 and is now 14.7% of Croatia's GDP, below the EU average of 19.2%.⁷¹ Furthermore,

the minimum income benefit coverage remains below the EU average.⁷² This is a concern, as the impact of social transfers in reducing poverty decreased from 35.5% in 2015 to 25% in 2019.⁷³ As a result, low-income households and vulnerable groups have been left out of living condition improvements, and access to essential social services has decreased in remote areas, as reported by the NSG.

Poverty rates have been decreasing since Croatia's accession to the EU in 2013. The risk of poverty and social exclusion currently stands at 23.3%,⁷⁴ and severe material deprivation fell from 14.3% in 2010 to 7.2% in 2019.⁷⁵ Nevertheless, these rates are still above the EU average and disproportionately affect the elderly, who have an AROPE (at risk of poverty or social exclusion) rate of 28.1%;⁷⁶ elderly women, with a rate of 31.3%;⁷⁷ single parent-households (52.7%⁷⁸); the low-education-attainment population (47.1%⁷⁹); and people in rural areas (30.09%⁸⁰). The main framework set in place to tackle poverty reported by the National Strategy Group (NSG) has been the Strategy for Combating Poverty and Social Exclusion 2014 – 2020. This covers eight strategic areas related to access to essential social protection

65 Ombudsman of the Republic of Croatia (2020): Annual Ombudsman Report for 2019 <https://www.ombudsman.hr/wp-content/uploads/2020/03/lzvje%C5%A1%C4%87e-pu%C4%8Dke-pravobraniteljice-za-2019.pdf>

66 European Commission (2020) Country Report Croatia 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0510&from=EN>

67 Ibid.

68 European Commission (2020) VAT rates applied in the Member States of the European Union. Situation at 1st January 2020. https://ec.europa.eu/taxation_customs/sites/taxation/files/resources/documents/taxation/vat/how_vat_works/rates/vat_rates_en.pdf

69 Eurostat (2020) Proportion of households with expenditures higher than income https://ec.europa.eu/eurostat/statistics-explained/images/archive/2/2d/20200206111027%21Households_with_expenditures_higher_than_income_2015.png

70 Human Rights House Zagreb (2020) Human Rights in Croatia: Overview of 2019 https://www.kucaljudskihprava.hr/wp-content/uploads/2020/04/KLJP_godisnjelzvjesce2019_ENG_web.pdf

71 Eurostat (2020) General government expenditure by function (COFOG) <https://appsso.eurostat.ec.europa.eu/nui/submitView-TableAction.do>

72 European Commission (2020) Country Report Croatia 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0510&from=EN>

73 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

74 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

75 Ibid.

76 Croatian Bureau of Statistics (2019) Statistics On Income and Living Conditions 2018: Indicators of Poverty and Social Exclusion, 2018 https://www.dzs.hr/Hrv_Eng/publication/2019/14-01-01_01_2019.htm

77 Ibid

78 Human Rights House Zagreb (2020) Human Rights in Croatia: Overview of 2019 https://www.kucaljudskihprava.hr/wp-content/uploads/2020/04/KLJP_godisnjelzvjesce2019_ENG_web.pdf

79 Ibid.

80 Ibid.

services, such as education, employment, housing and care, and related to the achievement of financial independence and balanced regional development. Nevertheless, based on the ombudsman's conclusions, the NSG has raised several implementation issues, starting from a lack of clearly defined measures and indicators and including the absence of stakeholder coordination and regular reporting on the strategy's implementation⁸¹. Furthermore, the Human Rights House Zagreb has denounced plan's failure to follow UN recommendations on poverty eradication and to align norms.

ACCESS TO ADEQUATE AND AFFORDABLE HOUSING

Croatia's housing model continues to promote home ownership. The National Strategy Group (NSG) believes this paints a positive picture, as 80.5% of households live in owner-occupied accommodation with little or no outstanding mortgage⁸². Yet, this broad housing policy approach is not based on comprehensive data that could identify real needs and help people fulfil their right to adequate housing, as indicated by Human Rights House Zagreb.⁸³ Some 40% of households live in overcrowded conditions, considerably above the EU average of 15.7%,⁸⁴ and almost half of the population that are tenants with market-price rents spend more than 40% of their income on housing.⁸⁵ Moreover, many young people are unable to keep up with rising housing costs, and 92.2% of men and 83.9% of women between the ages of 16 and 29 live with their

parents.⁸⁶ The NSG also reports that the availability of adequate and affordable housing is further constrained by the rise of short-term rental accommodation promoted by platforms such as Airbnb, especially in Zagreb and the key coastal cities. Following the recent earthquake of 22 March, many housing units have been declared temporarily uninhabitable, further contributing to the rise in housing costs.

The rental market does not seem to offer an alternative. Rental prices, especially in Zagreb, have risen by 129% in the last two years,⁸⁷ and only 8% of the population are tenants of the public renting scheme.⁸⁸ The NSG is concerned over the lack of sufficient rights for tenants, which leaves them vulnerable to malpractices and with limited access to long-term renting options. Insufficient legislation, especially on the termination of tenancy agreements, means that the impact on tenants of this lack of rights is noticeable. Their precarious living situation makes it harder for them to register their residence and thus access essential social services.

Furthermore, the NSG draws attention to the vulnerability of refugees with regards to access to housing. As indicated in the integration programmes and stipulated in the Law on Social Welfare, the state guarantees refugees two years of accommodation up to a cost of HRK 2500 per month, though if the beneficiary is employed, they need to contribute financially. However, the NSG reports, there has been no temporary extension after the Covid-19 outbreak for those approaching the end of the two-year programme, increasing their risk of homelessness. A similar situation has been

81 Ombudsman of the Republic of Croatia (2020): Annual Ombudsman Report for 2019 <https://www.ombudsman.hr/wp-content/uploads/2020/03/lzvje%25A1%25C4%87e-pu%25C4%8Dke-pravobraniteljice-za-2019.pdf>

82 EUROSTAT (2020) Distribution of population by tenure status, type of household and income group https://ec.europa.eu/eurostat/databrowser/view/LC_LVHO02__custom_249212/default/table?lang=en

83 Human Rights House Zagreb (2020) Human Rights in Croatia: Overview of 2019 https://www.kucaljudskihprava.hr/wp-content/uploads/2020/04/KLJP_godisnjelzvjesce2019_ENG_web.pdf

84 Eurostat (2020) Housing Statistics https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Housing_statistics#Tenure_status

85 European Commission (2020) Country Report Croatia 2020 https://ec.europa.eu/info/sites/info/files/2020-european_semester_country-report-croatia_en.pdf

86 Eurostat (2020) Young People – social inclusion https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Young_people_-_social_inclusion#Living_with_parents

87 Human Rights House Zagreb (2020) Human Rights in Croatia: Overview of 2019 https://www.kucaljudskihprava.hr/wp-content/uploads/2020/04/KLJP_godisnjelzvjesce2019_ENG_web.pdf

88 European Commission (2020) Country Report Croatia 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0510&from=EN>

noted for working migrants who find themselves unemployed and are unable to meet Zagreb's housing costs. As there is no dedicated homelessness strategy, many people are excluded from accessing social housing and other social protection services except for underfunded temporary shelters.⁸⁹

The NSG awaits the government's proposed housing strategy to tackle all the above-mentioned issues related to access to adequate and affordable housing. A working group has been established to draft the strategy, but there has been no official information on the drafting process.

STATE OF PUBLIC HEALTHCARE INFRASTRUCTURE

Prior to the Covid-19 outbreak and after its accession to the EU, Croatia was on a path to improvements in health. Life expectancy at birth increased from 77.8 years in 2013 to 78.2 in 2018,⁹⁰ and 61%⁹¹ of the population consider themselves to be in good health. Furthermore, self-reported unmet health needs are at an all-time low of 1.4%.⁹² Nevertheless, the above-mentioned indicators are still below the EU average, and the National Strategy Group (NSG) indicates that income and education attainment inequalities continue to play a big role in health performance. Life expectancy is 5.2 years less for those without tertiary education, and only 44% of those in the lowest income

quintile believe themselves to be in good health.⁹³ Furthermore, mortality from treatable causes, mostly heart disease, alcohol abuse and accidents, is on the rise.⁹⁴

These levels of health reflect the effectiveness of the public healthcare system and are a direct consequence of the accessibility issues for low-income and vulnerable groups. They are exacerbated by the fact that, at 6.6%, Croatia's health expenditure as a percentage of GDP is one of the lowest in the EU.⁹⁵ Whilst the public healthcare insurance scheme provides universal coverage, the NSG reports an insufficient number of doctors and nurses to attend to the population's needs. Since Croatia's accession to the EU in 2013, 861 doctors have left for other Member States. As of 2019, only 6.6 nurses and 3.4 doctors were available for every 1,000 inhabitants,⁹⁶ lower than the EU average. The decrease in the capacity and quality of health service provision is evidenced by an increase of 10% from 2018 to 2019 in waiting lists for first examinations.⁹⁷ This often leaves patients to seek treatment through private insurance, as 60% of the population have additional insurance to cover co-payment costs.⁹⁸ Not only does this leave low-income households increasingly unattended to, but migrants and other socially-excluded groups are disproportionately affected and cannot enjoy their right to full healthcare. According to the NSG, migrants are often denied service or receive additional payment requests. One reason can be that they don't have a work contract that adequately

89 Baptista, Isabel and Marlier, Eric (2019) Fighting homelessness and housing exclusion in Europe: A study of national policies. <https://op.europa.eu/en/publication-detail/-/publication/2dd1bd61-d834-11e9-9c4e-01aa75ed71a1/language-en>

90 Eurostat (2020) Life expectancy by age and sex <http://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

91 ECD/European Observatory on Health Systems and Policies (2019) Croatia: Country Health Profile 2019, State of Health in the EU <https://www.oecd-ilibrary.org/docserver/b63e8c9f-en.pdf?expires=1600678352&id=id&accname=guest&checksum=D4ADF-074012C773F2CF2AF1C4C41942D>

92 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

93 ECD/European Observatory on Health Systems and Policies (2019) Croatia: Country Health Profile 2019, State of Health in the EU <https://www.oecd-ilibrary.org/docserver/b63e8c9f-en.pdf?expires=1600678352&id=id&accname=guest&checksum=D4ADF-074012C773F2CF2AF1C4C41942D>

94 Ibid.

95 Eurostat (2020) General government expenditure by function (COFOG) <https://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

96 ECD/European Observatory on Health Systems and Policies (2019) Croatia: Country Health Profile 2019, State of Health in the EU <https://www.oecd-ilibrary.org/docserver/b63e8c9f-en.pdf?expires=1600678352&id=id&accname=guest&checksum=D4ADF074012C773F2CF2AF1C4C41942D>

97 Ombudsman of the Republic of Croatia (2020): Annual Ombudsman Report for 2019 <https://www.ombudsman.hr/wp-content/uploads/2020/03/lzvje%C5%A1%C4%87e-pu%C4%8Dke-pravobraniteljice-za-2019.pdf>

98 European Commission (2020) Country Report Croatia 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX-:52020SC0510&from=EN>

covers social security contributions. Another can be incompatibility between the healthcare system of a third country and that of Croatia. The Roma community, too, has issues with regard to healthcare, as 54.6% of Roma households are unable to pay their medical costs, and 7.2% lack a valid healthcare insurance card.⁹⁹

The shortage of facilities and health staff is deepening the country's geographical disparities. Central Croatia has greater resources than the Adriatic Coast islands and rural areas in Central and Eastern Croatia.¹⁰⁰ According to self-reporting, 0.7% of medical needs are unmet due to geographical distance from facilities, compared with an EU average of 0.1%.¹⁰¹ Three counties lack primary care doctors,¹⁰² and doctors are forced to work overtime or cover larger geographical areas, the NSG reports.

The implementation of the 2019 Health Protection Act is still a challenge, as the promised improvements in primary health protection and emergency services are not visible. The ombudswoman continues to report a high number of complaints over the performance of the healthcare system, long waiting periods for a doctor's appointment, a lack of quality or unavailability of medical services and inadequate palliative care.¹⁰³ A lack of coordination and further privatisation of up to 75% of primary care practices in the regions¹⁰⁴ are hindering efforts to reach the newly-set healthcare goals.

JUST TRANSITION TO A GREEN ECONOMY

The National Strategy Group reports a lack of initiative with regards to implementing the transition to a green economy despite some improvements in policy development. Croatia is lagging behind EU standards, especially on the circular economy, eco-innovation and pollution reduction, and it is failing to create synergies between the public sector, scientific community, business sector and civil movements.¹⁰⁵ In addition, funding dedicated to the transition to a green economy and green development continues to be reliant on EU sources.

Additional concerns are expressed by the NSG regarding waste treatment, with unsustainable, illegal and dangerous landfills posing a threat to health. Croatia continues to surpass the EU's 75% legal limit for municipal waste as landfill.¹⁰⁶ To address these issues, the Waste Regulation was amended. Yet the amendments have increased the economic burden of low-income single-member households, because they have increased waste collection payments irrespective of household size.¹⁰⁷

The latest policy development is the draft Low-carbon Development Strategy.¹⁰⁸ Whilst it demonstrates some commitment towards achieving the transition goals, Green Action, Friends of the Earth Croatia and the NSG point

99 Kunac, Suzana; Klasnic, Ksenija; Lalic, Sara (2018) Roma Inclusion in the Croatian Society: A Baseline Data Study. https://www.cms.hr/system/publication/pdf/109/Roma_inclusion_in_the_Croatian_Society.pdf

100 European Commission (2020) Country Report Croatia 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0510&from=EN>

101 ECD/European Observatory on Health Systems and Policies (2019) Croatia: Country Health Profile 2019, State of Health in the EU <https://www.oecd-ilibrary.org/docserver/b63e8c9f-en.pdf?expires=1600678352&id=id&accname=guest&checksum=D4ADF074012C773F2CF2AF1C4C41942D>

102 European Commission (2020) Country Report Croatia 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0510&from=EN>

103 Ombudsman of the Republic of Croatia (2020): Annual Ombudsman Report for 2019 <https://www.ombudsman.hr/wp-content/uploads/2020/03/lzvje%C5%A1%C4%87e-pu%C4%8Dke-pravobraniteljice-za-2019.pdf>

104 ECD/European Observatory on Health Systems and Policies (2019) Croatia: Country Health Profile 2019, State of Health in the EU <https://www.oecd-ilibrary.org/docserver/b63e8c9f-en.pdf?expires=1600678352&id=id&accname=guest&checksum=D4ADF074012C773F2CF2AF1C4C41942D>

105 Holy, Mirela (2020) Green Transition Instruments: Sustainable development, circular, bio-economy and creative economy https://www.fes-croatia.org/fileadmin/user_upload/Instrumenti_zelene_tranzicije.pdf

106 European Commission (2019) EU Environmental Implementation Review 2019. Country Report : Croatia https://ec.europa.eu/environment/eir/pdf/report_hr_en.pdf

107 Human Rights House Zagreb (2020) Human Rights in Croatia: Overview of 2019 https://www.kucaljudskihprava.hr/wp-content/uploads/2020/04/KLJP_godisnjelzvjescje2019_ENG_web.pdf

108 Ministry of Environmental Protection and Energy (2020) Proposal for a Low Carbon Development Strategy of the Republic of Croatia Until 2030 with a Look at 2050 <https://esavjetovanja.gov.hr/ECon/MainScreen?entityId=14019>

out inconsistencies with the Energy Development Strategy, as major fossil-fuel projects continue to receive funding. Furthermore, the data used to predict the creation of 40,000 workplaces and an increase in affordable green energy to tackle energy poverty resulting from investment

in low-carbon energies remains unclear for the NSG. Not only is the role of civil society in the drafting of these policies unclear, but detailed, just transition plans, especially for greenhouse-gas-intense regions such as Sisak-Moslavina and Istria, are yet to be drafted.¹⁰⁸

CIVIC SPACE

Echoing the recent CIVICUS update on the civic-space rating for Croatia,¹¹⁰ the National Strategy Group reports a worrying negative trend for the realisation of freedom of association in Croatia. Shrinking civic space has manifested itself through a continuous undermining of institutional support for civil society development. The NSG indicates that this has taken place through the marginalisation and weakening of the Council for Civil Society Development, a key advisory body bringing together civil society and national administration representatives. State representatives' lack of participation in the Council has weakened it, and new procedural rules introduced in May 2020 have decreased its transparency and tilted the voting power in favour of state representatives, who now outnumber their civil society counterparts. The impact of such reforms can be seen in the Croatian delegation's recent round of nominations for the European Economic and Social Committee, who were chosen without any scrutiny and despite the opposition of CSO representatives.¹¹¹ Furthermore, the NSG has denounced the lack of a new national strategy for creating an enabling environment for civil society development, which is a precondition for CSOs to access the European Social Fund.¹¹²

Whilst the NSG believes that freedom of peaceful assembly is being sufficiently respected, the access to information and guidelines for obtaining permission are seen as constraining the exercise of such freedom, as is the commercialisation of public spaces.¹¹³ Few protests have taken place recently, due to restrictions on mass gatherings as a public health precaution during the pandemic. Some examples are protest marches calling for Covid-19 assistance for employment protection, the occupation of a square in Zagreb in support of increased LGBTI+ rights, and the anti-racism Black Lives Matter protests. Another, more concerning, example was the 5th Walk for Life, a protest against abortion organized by very conservative groups.¹¹⁴ On this particular matter, CMS points out that counter-protesters showed up to Walk of Life in Rijeka to put on an artistic performance and were taken into custody without any legal grounds. The NSG is worried that precedents might be set, following the unjustified ban of a counter-protest, led by the Roma Association of the Republic of Croatia "KALI SARA", against an openly anti-Roma protest that received backing from local government representatives in Čakovec. The counter-protest was banned in spite of a request having been made that followed the procedures laid

109 European Commission (2020) Country Report Croatia 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0510&from=EN>

110 CIVICUS (2020) CIVICUS Monitor: Croatia <https://monitor.civicus.org/country/croatia/>

111 CROSOL (2020) *Election of members of the European Economic and Social Committee in Croatia: CIVIL SOCIETY REPRESENTATIVES WITHOUT VOICES FROM CIVIL SOCIETY* <https://crosol.hr/en/election-of-members-of-the-european-economic-and-social-committee-in-croatia-civil-society-representatives-without-voices-from-civil-society/>

112 Jasic, Suzana (2020) *Government Attacks on Civil Society in Croatia* https://www.gong.hr/media/uploads/government_attacks_on_civil_society_in_croatia_eng.pdf

113 Human Rights House Zagreb (2020) *Human Rights in Croatia: Overview of 2019* https://www.kucaljudskihprava.hr/wp-content/uploads/2020/04/KLJP_godisnjelzvjescje2019_ENG_web.pdf

114 CIVICUS (2020) CIVICUS Monitor: Croatia <https://monitor.civicus.org/country/croatia/>

out in the Law on Public Assembly. The ban leads the NSG to believe that restriction on the freedom of peaceful assembly in this case was motivated by discrimination based on ethnicity.

In an attempt to curb the spread of misinformation and fake news, a trend escalating in the wake of the global pandemic, efforts such as the Faktograf.hr media portal blog have been set up to provide fact-checking services.¹¹⁵ Yet the journalists involved have been subject to online harassment, often with underlying misogynistic tones.¹¹⁶ This is an example of the increased intimidation that journalists have been experiencing recently. Citing information from the Croatian Journalists' Association,¹¹⁷ the NSG reports a rise in lawsuits against journalists in 2019 brought by public figures, politicians, judges and corporations. These amount to a total of 1,160 ongoing cases. Other forms of intimidation include death threats, assaults and the hindering of reporting activities,¹¹⁸ but there have been no public condemnations, investigations or punishments.¹¹⁹ Despite the erasure of "serious shaming" from the Criminal Code, an action considered a positive development, the NSG is wary of other legislative

developments related to freedom of speech. Even though an act to prevent misconduct on social networks, proposed in 2019, was intended to tackle online hate speech, the NSG believes its unclear measures could be misused to curtail freedom of speech.

As for participation of civil society organisations in social dialogue, the NSG considers that the decrease in support for them is impacting their ability to contribute to policy- and decision-making as foreseen in the Code of Practice on Consultation with the Interested Public in Procedures of Adopting Laws, Other Regulations and Acts. The fact that only 271 CSOs participated in 2031 e-consultation processes throughout 2019, of which 22% never received a response, constitutes a decrease in participation and quality compared to 2018.¹²⁰ The NSG calls for increased commitment from public institutions towards existing consultation and participation procedures, for more transparency in the Council for Civil Society Development, for adequate financing schemes with decreasing administrative burden on NGOs and for a more responsive public administration towards demands from CSOs.

115 Faktograf (2020) *Live Blog: Disinformation on the coronavirus* <https://faktograf.hr/2020/09/21/live-blog-dezinformacije-o-koronavirusu/>

116 CIVICUS (2020) CIVICUS Monitor: Croatia <https://monitor.civicus.org/country/croatia/>

117 Croatian Journalists' Association (2020) A new round of HRT lawsuits against the media <https://www.hnd.hr/nova-runda-tuzbi-hrt-a-protiv-medija>

118 CIVICUS (2020) CIVICUS Monitor: Croatia <https://monitor.civicus.org/country/croatia/>

119 Human Rights House Zagreb (2020) *Human Rights in Croatia: Overview of 2019* https://www.kucaljudskihprava.hr/wp-content/uploads/2020/04/KLJP_godisnjelzvjescje2019_ENG_web.pdf

120 Ombudsman of the Republic of Croatia (2020): Annual Ombudsman Report for 2019 <https://www.ombudsman.hr/wp-content/uploads/2020/03/lzvje%C5%A1%C4%87e-pu%C4%8Dke-pravobraniteljice-za-2019.pdf>

COMPARISON WITH THE COUNTRY SPECIFIC RECOMMENDATIONS

The European Commission's 2020 Country Specific Recommendations for Croatia acknowledge the severe impact on the country of both the Covid-19 pandemic and the recent earthquake.¹²¹ Through a call for targeted measures, the European Commission expects Croatia to tackle its socio-economic and geographical disparities, especially given the fact that coastal regions and Adriatic islands will be affected the most by the current crisis and the constraints on the tourism industry. Against this backdrop, healthcare, reskilling and active employment take centre stage in the country-specific recommendations, which would tackle the concerns raised by the National Strategy Group. The Commission recommends Croatia establish a fairer geographical balance in the distribution of healthcare infrastructure and personnel in order to improve access to and the quality of medical services. Ways to do this include increasing cooperation between administrative levels and support for eHealth tools and other channels for medical resources. The recommendations also include improving active employment measures to cater to all people and not leave at-risk groups behind in the digital transition. The preferred actions are reskilling and enhanced-outreach strategies. Furthermore, the European Commission recommends increasing minimum-income schemes, including unemployment support, as an additional boost for social protection. These are needed to tackle persistently high rates

of poverty and social exclusion, as well as regional disparities and age-, gender- and disability-based inequalities. In order to introduce these reforms, the Commission urges Croatia to enhance its implementation tools and strategies in close cooperation with social partners and other key stakeholders.

Nevertheless, the country-specific recommendations fail to include issues raised by the NSG. No consideration is given to the need to improve working and living conditions other than improving workers' employability. The suggestion, included in the overview of the recommendations, to seek alternative working arrangements does not seem to consider the impact of labour precariousness and the rise in unreported work and labour-code violations. Housing costs and access to key social services other than healthcare are also left out of the picture. Despite recommending to continue with all measures needed to tackle the socio-economic aftermath of Covid-19 and the earthquake, the Commission does not specifically consider the NSG remarks on the failure to manage the recovery and employment protection measures. With regards to a just transition, no concrete recommendation is given on how to deal with the accompanying social challenges. Other themes that are not addressed include the vulnerability experienced by migrants and asylum seekers and how to improve the inclusion of Roma minorities.

121 European Commission (2020) Council Recommendation on the 2020 National Reform Programme of Croatia and delivering a Council Opinion on the 2020 Convergence Programme of Croatia <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020DC0511&from=EN>



COUNTRY MONITOR: CZECHIA



Living and working conditions in Czechia continue to improve, according to SOLIDAR’s National Strategy Group (NSG). Towards the end of 2019, the employment rate reached 80.3%, and the unemployment rate decreased to 2%. Czechia also registers the lowest rate of risk of poverty and social exclusion in the EU, at 12.5% of the population, driven by a rise in net income of 6.9% in 2019 from 2018. Yet these improvements are yet to reach low-skilled workers, women, people with disabilities and other vulnerable groups. Labour shortages are contributing to worsening working conditions, such as excessive overtime work. People also suffer from rising levels of over-indebtedness

and the geographical concentration of opportunities. Furthermore, the NSG reports an erosion in Czech people’s sense of social justice and their trust in the welfare system, prompted by a decrease in the quality of and access to social services. Low levels of tax revenue have led to a decrease in public spending, which has disproportionately affected vulnerable groups and people in rural areas. Civic space is being continuously eroded: social dialogue partners, civil society organisations (CSO) and critical journalists are struggling with a decrease in available funding, media concentration and increasing attacks from public figures.

	2018	2019	EU-28 2019
GINI index ¹	24.0	24.0	30.7
Unemployment ²	2.2%	2.0%	6.3%
Gender Equality Index ³	55.7 (2019)	56.2 (2020)	67.9 (2020)
In-work poverty ⁴	3.5%	3.5%	9.2%
Housing Overcrowding ⁵	15.7%	15.4%	15.6%
CIVICUS Civic Space Monitor ⁶		OPEN	N/A

Selected indicators on the state of social rights

1 Eurostat (2020). Gini coefficient of equivalised disposable income: http://appsso.eurostat.ec.europa.eu/nui/show.do?lang=en&-dataset=ilc_di12

2 Eurostat (2020). Unemployment by sex and age: annual data: https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_rt_a&lang=en

3 European Institute for Gender Equality (2020). Gender Equality Index: <https://eige.europa.eu/gender-equality-index/2020/BE>

4 Eurostat (2020). In-work at-risk-of-poverty-rate: <https://ec.europa.eu/eurostat/databrowser/view/tespm070/default/table?lang=en>

5 Eurostat (2020). Overcrowding rate by age, sex and poverty status – total population: https://ec.europa.eu/eurostat/databrowser/view/ilc_lvho05a/default/table?lang=en

6 CIVICUS (2020). Civic space monitor – Czech Republic: <https://monitor.civicus.org/country/czech-republic/>

EQUAL OPPORTUNITIES AND FAIR WORKING CONDITIONS

Following international trends, economic growth in Czechia increased at a slower pace after 2017 and then dropped sharply as a result of the Covid-19 outbreak. Amongst other consequences, the decrease in GDP will undoubtedly impact tax revenue.

A flat income tax of 15% with no exemption for low incomes and a 7% solidarity charge on income above four times the average⁷ make Czechia's taxation on labour amongst the highest in the EU and OECD⁸ for low-income earners. The tax wedge on labour has been increasing since 2009 and reached 41.7% in 2019, four percentage points above the EU-28 average.⁹ Alongside high childcare costs, this tax burden is actively discouraging low-earning single parents and dependants on a single income from participating in the labour market. In contrast, self-employed workers are seen as clear beneficiaries of the system, as they have lower social security contributions – an advantage expected to be maintained despite plans for reform.¹⁰ To compensate for this disproportionate tax burden, the National Strategy Group (NSG), led by Multikulturní Centrum

Praha, considers meal vouchers for low-income households a positive measure.

Czechia continues to be a high performer on the Social Scoreboard for labour market dynamics. At the end of 2019, the employment rate stood at 80.3%,¹¹ the third highest in the EU, and unemployment reached an all-time low of 2%,¹² the lowest rate in the EU. A similar positive pattern can be seen for youth unemployment, which declined from 19.5% in 2012 to 5.6% at the end of 2019.¹³ The NSG indicates that the country's Youth Guarantee has been instrumental here: only one in four young people registered were waiting for a job offer for more than four months, and the Youth Guarantee helped 39.7% of young NEETs (people not in employment, education or training).^{14 15}

Despite the overall positive results, low-skilled workers, women, people with disabilities and other vulnerable groups still have greater difficulty in entering in the labour market. The 2019 Employment Package's proposed measures to target unemployment take into account key profile elements such as age, health, education,

7 European Commission (2020) Taxation Trends in the European Union 2020 Edition https://ec.europa.eu/taxation_customs/business/economic-analysis-taxation/taxation-trends-eu-union_en

8 OECD (2020) Taxing Wages – The Czech Republic <http://www.oecd.org/czech/taxing-wages-czech-republic.pdf>

9 Eurostat (2020) Tax rate on low wage earners: Tax wedge on labour costs https://ec.europa.eu/eurostat/en/web/products-datasets/-/EARN_NT_TAXWEDGE

10 European Commission (2020) Country Report 2020: Czechia <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0502&from=EN>

11 Eurostat (2020) Employment and activity by sex and age – annual data <https://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

12 Eurostat (2020) Unemployment by sex and age – monthly data <https://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

13 Eurostat (2020) Unemployment by sex and age – annual data <https://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

14 Ministry of Labour and Social Affairs (2019) Youth unemployment is falling https://www.mpsv.cz/documents/20142/511219/TZ_-_Nezamestnanost_mladych_lidi_se_snizuje.pdf/11d1aab3-3360-a9e1-60e9-f95031c0bd65

15 European Commission (2020) Youth Guarantee Country Fiche: Czech Republic January 2020 <https://ec.europa.eu/social/main.jsp?catId=1161&langId=en&intPagId=3329>

residence and possible disadvantages when matching registered profiles with employment opportunities.¹⁶ Yet as a result of active employment policies, users of the unemployment service who fail to find a job face limited access to living allowances and housing benefits.¹⁷ Furthermore, unemployment rose to 2.8% and youth unemployment to 8.1%¹⁸ in November 2020 as a result of the COVID-19 crisis.

GENDER EQUALITY

Improvement in gender equality has been slower than the EU average, and Czechia ranks 21st in the Gender Equality Index with a score of 55.7.¹⁹ The gender employment gap remains above average with a difference of 15 percentage points:²⁰ 72.7% women were employed and 87.7% of men.²¹ The NSG additionally highlights a significant gender pay gap, which averages 20.1%,²² one of the highest in the EU.

Leading factors for the pay gap include mothers' longer leave of absence after childbirth and their consequent lower participation in the labour market and difficulties in advancing in their careers. There has also been a drop in the number of women on the boards of the largest publicly listed companies and public institutions.²³ ²⁴ Given this panorama, the NSG calls for more progress on gender equality.

GOOD PRACTICE

THE MATAPE PROJECT

The MATAPE project results from a joint public-private-civil initiative in the city of Holicice and has implemented a series of measures to help new mothers re-enter the labour market and reduce their social exclusion. Measures include individualised job counselling, skills development, gender audits of local companies and a media campaign on work-life balance. Using resources from the European Social Fund (ESF), the project has aided more than 200 women, of whom 59% found work or became self-employed.²⁵

In response, the government has been focusing on increasing the capacity of the formal childcare infrastructure with ESF funding support, as Czechia continues to rank second to last in the EU, with a 6.3% participation rate in formal childcare.²⁶ An additional scheduled amendment to the Children's Group Act for 2022 aims to set a new national standard for such services, and flexible working arrangements have been promised for 2021 to further support working mothers.²⁷ The "22% to Equality" programme, named after the gender pay gap in 2014 and co-financed by the ESF, has

16 Ministry of Labour and Social Affairs (2019) Review for social policy and research: The employment package is intended to respond to the aging of society, the fourth industrial revolution or the employment of foreigners <https://socialnipolitika.eu/2019/07/ministryne-malacova-predstavila-balicek-zamestnanosti-jedna-se-o-nejvetsi-zmenu-v-teto-oblasti-v-poslednich-letech/>

17 Ibid.

18 Eurostat (2020) Unemployment by sex and age – monthly data <https://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

19 European Institute for Gender Equality (2020) Gender Equality Index: Index score for Czechia for 2019 <https://eige.europa.eu/gender-equality-index/2019/CZ>

20 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

21 Eurostat (2020) Unemployment by sex and age – annual data <https://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

22 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

23 European Institute for Gender Equality (2020) Gender Equality Index: Index score for Czechia for 2019 <https://eige.europa.eu/gender-equality-index/2019/CZ>

24 European Commission (2020) Country Report 2020: Czechia <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0502&from=EN>

25 European Commission (2016) Projects: Helping new mothers back into work <https://ec.europa.eu/esf/main.jsp?catId=46&langId=en&projectId=1978>

26 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

27 European Commission (2020) Country Report 2020: Czechia <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0502&from=EN>

implemented a wage transparency instrument, increased the Labour Authority's vigilance and offered advice and support on the gender pay gap. The accompanying awareness campaign is considered by the NSG to have had limited impact. Last but not least, Czechia has yet to implement the EU Work-Life Balance Directive, though a working group with legal experts and NGO representatives has been created.²⁸

INCLUSION OF MIGRANTS

Since 2010, yearly action plans have been implemented as part of Czechia's migration integration strategy, which focuses on Czech language skills, economic self-sufficiency, immersion into Czech culture and a gradual transition to permanent residency or citizenship.²⁹ ³⁰ Among the ongoing and proposed measures, the National Strategy Group (NSG) highlights the 2019 amendment of the Act on the Residence of Foreign Nationals, which introduces compulsory integration courses and new rules on the employment of third-country nationals.³¹

Through a network of agencies supported by Asylum Migration and Integration Funds, regional authorities and NGOs will collaborate to provide the newly mandatory integration and adaptation courses from 2021. These courses, which are for third-country nationals wanting to obtain permanent residence, consist of four-hour sessions on basic values, cultural context and rights and obligations.³² Despite recognising such courses as a first step towards institutionalising the integration of migrants, the NSG

reports several risks. Firstly, the responsible agencies have not been equipped with sufficient funding to cover the demand that will be driven by the mandatory nature of the courses. Secondly, the requirement for the course to be implemented in Czech, whilst allowing for the presence of interpreters, leads the NSG to believe that less content will be covered, reducing the quality and impact of the sessions. Thirdly, the courses will increase the financial burden on attendees, as migrants will have to pay for such services themselves or face a fine of EUR 400. Fourthly, the NSG indicates that the design of the measure has not been based on existing evidence. Given these structural deficiencies and barriers, the NSG points out scepticism on the part of certain NGOs, as the courses do not cover all aspects of integration. The NSG indicates the need for developments in labour rights, work conditions and access to education.

As an additional part of the Employment Package, amendments to the Residence of Foreign Nationals Act establish a points-based migrant integration system, which has had an impact on integration into the labour market.³³ A quota system and an employee card simplify entry for students, scientists and high-skilled applicants, but they limit integration into the labour market to a certain profile of high-skilled migrant, and they bind their residency status to their employment status.³⁴ Third-country nationals under this scheme are not able to switch employers in the first six months. NGOs criticise this condition, as it leaves migrants in a vulnerable position if they are faced with poor working conditions.

28 Government of the Czech Republic (2019) Minutes of the meeting of the Committee on Reconciliation of Work, Private and Family Life (hereinafter referred to as "the Committee") held on 17 December 2019 https://www.vlada.cz/assets/ppov/rovne-prilezitosti-zen-a-muzu/sladeni_pracovniho_a_soukromeho_zivota/Zapis_sladeni_17--prosinec-2019_final27-1-2020.pdf

29 European Commission (2019) Governance of Migrant Integration in the Czech Republic <https://ec.europa.eu/migrant-integration/governance/czech-republic>

30 Government of the Czech Republic (2019) Procedure In the implementation of the updated Concept of Integration of Foreigners in Mutual Respect 2020 <https://www.mvcr.cz/migrace/clanek/zakladni-dokumenty-k-integracni-politice-ke-stazeni.aspx>

31 Ministry of the Interior (2019) News: The Chamber of Deputies has approved an amendment to the Act on the Residence of Foreigners, which will help in the area of security and the economy <https://www.mvcr.cz/clanek/poslanecka-snemovna-schvalila-novelu-zakona-o-pobytu-cizincu-pomuze-v-oblasti-bezpecnosti-i-ekonomiky.aspx>

32 European Commission (2018) Czech Republic: Government approves mandatory integration courses <https://ec.europa.eu/migrant-integration/news/czech-republic-government-approves-mandatory-integration-courses>

33 Ministry of Labour and Social Affairs (2019) Review for social policy and research: The employment package is intended to respond to the aging of society, the fourth industrial revolution and the employment of foreigners <https://socialnipolitika.eu/2019/07/ministryne-malacova-predstavila-balicek-zamestnanosti-jedna-se-o-nejvetsi-zmenu-v-teto-oblasti-v-poslednich-letech/>

34 European Commission (2019) Czech parliament approves amendment to the Aliens Act

WORKING CONDITIONS

There have been some recently reported improvements in working conditions in Czechia. The statutory retirement age has been maintained at 65, after a decision in 2019 not to increase it for five years.³⁵ Following an agreement with social partners, the Czech government has amended the Labour Code to better regulate job sharing, clarify the entitlement to paid-holiday leave and increase compensation for work-related accidents and occupational diseases, amongst other measures.³⁶ Moreover, a decision made prior to the COVID-19 outbreak to give workers greater say over working schedules, leave and teleworking has enhanced the work-life balance.³⁷ As part of the 2019 Employment Package, amendments to the Employment Act increased the mobility allowance to CZK 3,500 per month (EUR 133).³⁸ Amongst these reforms, the NSG singles out a CZK 1,250 (EUR 50) increase in the statutory minimum wage to CZK 14,600 (EUR 588) per month, an increase of 9% that has been in force since January 2020.³⁹

Yet the NSG is sceptic about the improvements these measures will bring. The percentage of the population living on the minimum wage is close to 4%,⁴⁰ leading the NSG to believe the new minimum wage will not bring much change. Labour shortages, especially in construction and heavy industry, and high levels of personal indebtedness are driving an increase in overtime work, which does not have an adequate regulatory framework, according to the NSG. Furthermore, the Ministry of Labour and Social Affairs recently disclosed

4,583 cases of undeclared work through temporary agencies, of which 75% concerned the employment situation of non-EU workers.⁴¹ Additional structural barriers reported by the NSG are hindering improvements in working conditions. These include the geographical concentration of opportunities in specific global chain industries, the subsequent increase in long-distance commuting, and limited access to a social services system constrained in capacity and resources.

In the eyes of the NSG, the difficulty in providing more-effective measures to improve working conditions results partially from decreasing trade union membership. Given unions' consequent reduction in financial capacity, they cannot fulfil their role in national-level bargaining. The NSG calls for additional capacity-building efforts to overcome this barrier and improve working conditions in Czechia.

EARLY LEAVERS FROM EDUCATION AND TRAINING

Czechia has been on track to reach the Europe 2020 goal of reducing the rate of early leavers from education and training by 50%, as these have been consistently below the EU average. A high performer on the Social Scoreboard with regard to this indicator, Czechia currently registers a rate of 6.7%, as well as significant advances in the provision of basic skills.⁴² Nevertheless, the early-leaver rate has been rising since 2013, calling into question the country's track record. Moreover, the average rate hides significant regional and social

35 European Commission (2020) Country Report 2020: Czechia <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0502&from=EN>

36 Eurojust (2020) Living and working in Czechia <https://www.eurofound.europa.eu/country/czechia#quality-of-life>

37 Eurojust (2019) Labour market segmentation: Piloting new empirical and policy analyses https://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef19033en.pdf

38 Ministry of Labour and Social Affairs (2019) Review for social policy and research: The employment package is intended to respond to the aging of society, the fourth industrial revolution or the employment of foreigners <https://socialnipolitika.eu/2019/07/ministryne-malacova-predstavila-balicek-zamestnanosti-jedna-se-o-nejvetsi-zmenu-v-teto-oblasti-v-poslednich-letech/>

39 Eurofound (2020) Living and working in Czechia <https://www.eurofound.europa.eu/country/czechia#quality-of-life>

40 Grossmann, Jakub; JuraJda, Štěpán; and Smolka, Vladimír (2019) Employment effects of minimum wage increases in the Czech Republic https://idea-en.cerge-ei.cz/files/IDEA_Study_04_2019_Minimum_wage.pdf

41 European Commission (2020) Country Report 2020: Czechia <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0502&from=EN>

42 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

disparities. Whilst most regions are close to the 6% average, the difference in rates between Severozápad (16%) and Prague (2%) continues to grow.⁴³ Two out of three members of socially excluded families (57% in the case of Roma communities) and a high proportion of people with disabilities leave school prematurely.⁴⁴ The main causes of this phenomenon are a lack of family support and the attractiveness of easy access to the labour market. As a result, vulnerable young people are often left exposed to low-paid and low-quality job opportunities and a higher probability of unemployment further in the future.⁴⁵

In spite of this situation, the NSG reports a lack of will to tackle this at national level. The Action Plan for Inclusive Education to provide more

support for students in low socio-economic groups has not put forward the measures expected of it, especially with regards to reducing the segregation of Roma children.⁴⁶ Financial support dedicated to reducing dropout rates is only given to regions that develop specific methodologies to implement at school level. With schools lacking the capacity to integrate the needed pedagogical services and a reported teacher shortage,⁴⁷ the lack of coordination between social services, schools and families further hinders any action to solve this issue.⁴⁸ Nevertheless, the NSG indicates that measures for the re-introduction of early leavers into education are currently being discussed, and more efforts are being introduced to coordinate the implementation of inclusive education amongst regions.

43 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

44 European Commission (2020) Country Report 2020: Czechia <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0502&from=EN>

45 Agency for Social Inclusion (2019) Early school leaving: causes and financial implications in the light of Social Inclusion Agency research <http://www.socialnipace.cz/zpravy.php?oblast=2&clanek=1152>

46 European Commission (2020) Country Report 2020: Czechia <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0502&from=EN>

47 Ibid.

48 Agency for Social Inclusion (2019) Early school leaving: causes and financial implications in the light of Social Inclusion Agency research <http://www.socialnipace.cz/zpravy.php?oblast=2&clanek=1152>

SOCIAL PROTECTION AND INCLUSION

Czechia continues to be a high performer at reducing the risk of poverty and material deprivation, as reported by the National Strategy Group (NSG). The country has the lowest AROPE (at risk of poverty or social exclusion) rate in the EU, currently 12.5%, and significant advances have been made in reducing material deprivation, the rate of which is now 2.7%, compared to 7% in 2014.⁴⁹ Furthermore, in-work poverty remains low: the standard rate is 3.5% and youth in-work poverty is 2.3%.⁵⁰ According to the NSG, this is due to a rise in net income of 6.9 % from 2018,⁵¹ which has had a positive impact on overall living conditions.

Czechia's performance and effectiveness in healthcare provision have been high in recent years, as reported by the NSG. With more than 80% of health expenditure deriving from public spending, the national public healthcare system is successful at ensuring accessibility. The rate of self-reported unmet medical needs is just 0.5%.⁵² This has been achieved despite per-capita health expenditure lower than the EU average⁵³ and out-of-pocket expenditure that has been rising since 2015 and now amounts to 14.2%.⁵⁴ Nevertheless, the NSG reports geographical inequality in the number of medical staff per capita, which has a negative impact on the provision of care in rural areas. Additional concerns are raised regarding migrants' accessibility to healthcare, as barriers persist in the form of employment status and language.

The NSG reports persistent challenges to the improvement of living conditions. Poverty rates are especially high amongst the elderly, who have an AROPE rate of 16.5%,⁵⁵ the unemployed (21.7%) and single parents (36.9%).⁵⁶ The NSG notes that one of the main causes of poverty and social exclusion is over-indebtedness, which it indicates as one of the country's most pressing social issues. Despite recent debt relief measures, 5.1% of households continue to experience an overdue debt obligation, which averages EUR 1,580 per month;⁵⁷ 1 million Czechs are facing foreclosure.⁵⁸

Social expenditure has been continuously decreasing since 2013, reaching 12% of GDP in 2018,⁵⁹ and so has the impact of social transfers, which currently reduce poverty by 39.2%.⁶⁰ Even though housing support and the childcare allowance play significant positive roles overall, the NSG indicates that Czechia's remaining social protection focuses on the most vulnerable and leaves out many people who are experiencing non-standard forms of precariousness. As a result, according to the NSG, the sense of social justice and trust in the social protection system are being eroded. The Social Inclusion Strategy for 2021-2030 is expected to focus on indebtedness, access to housing and social exclusion in the upcoming programming period of EU funds.⁶¹

49 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

50 Eurostat (2020) In-work at-risk-of-poverty rate by age and sex – EU-SILC survey <http://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

51 Czech Statistical Office (2019) Short Commentary: Living Conditions Survey <https://www.czso.cz/documents/10180/125571069/16002120kc.pdf/00a7cd3d-7dfe-4696-8f42-db28a67f7223?version=1.0>

52 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

53 OECD; European Observatory on Health Systems and Policies (2019), Czechia: Country Health Profile 2019, State of Health in the EU https://ec.europa.eu/health/sites/health/files/state/docs/2019_chp_cs_english.pdf

54 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

55 Eurostat (2020) People at risk of poverty or social exclusion by age and sex <https://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

56 European Commission (2020) Country Report 2020: Czechia <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0502&from=EN>

57 Ibid.

58 Rychlíková, Apolena; Uhlová, Saša; and Mahdalová, Kateřina (2018) Exekuce: černé svědomí Česka <https://a2larm.cz/2018/12/exekuce-cerne-svedomi-ceska/>

59 Eurostat (2020) General government expenditure by function (COFOG) https://ec.europa.eu/eurostat/databrowser/view/gov_10a_exp/default/table?lang=en

60 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

61 European Commission (2020) Country Report 2020: Czechia <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0502&from=EN>

ACCESS TO AFFORDABLE HOUSING

The NSG is concerned that a lack of sufficiently affordable housing is having a significant impact on living conditions in Czechia and pointed to it as one of the country's three most pressing social issues. Housing prices rose faster than wage growth from 2014 to 2018, driven by the limited supply of new units and strong demand in bigger cities.⁶² In 2018, for the third time in a row, the Czech Republic has ranked as having Europe's least affordable housing in Deloitte's Property Index: a standardized new dwelling costs the equivalent of 11 years of average gross salary.⁶³ Given this increase in housing costs, low-income households in Czechia dedicate an average of 43.9% of their disposable income to housing alone.⁶⁴ As a result, 16.6% of households consider housing costs a significant financial burden, a figure that rises to 44% amongst the unemployed.⁶⁵ Affordability is a more prominent issue in cities like Prague and Ostrava, where additional pressure on prices comes from housing units dedicated to Airbnb and rental accommodation.⁶⁶

There are 21,230 homeless people in Czechia⁶⁷ and a further 119,000 at risk of becoming homeless, according to the latest available data.⁶⁸ In 90% of the cases, the reason is indebtedness and subsequent eviction. The Housing First programme,⁶⁹ a dedicated strategy to prevent and combat homelessness, is being expanded, but municipalities are still struggling to fulfil the expectation placed on them by the legislative framework to provide quality, affordable housing.⁷⁰

62 European Commission (2020) Country Report 2020: Czechia <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0502&from=EN>

63 Deloitte (2019) Property Index: Overview of European Residential Markets <https://www2.deloitte.com/be/en/pages/real-estate/articles/deloitte-property-index-2019.html>

64 FEANTSA and Fondation Abbe Pierre (2020) Fifth Overview of Housing Exclusion in Europe https://www.feantsa.org/public/user/Resources/resources/Rapport_Europe_2020_GB.pdf

65 Czech Statistical Office (2019) Short Commentary: Living Conditions Survey <https://www.czso.cz/documents/10180/125571069/16002120kc.pdf/00a7cd3d-7dfe-4696-8f42-db28a67f7223?version=1.0>

66 European Commission (2020) Country Report 2020: Czechia <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0502&from=EN>

67 FEANTSA and Fondation Abbe Pierre (2020) Fifth Overview of Housing Exclusion in Europe https://www.feantsa.org/public/user/Resources/resources/Rapport_Europe_2020_GB.pdf

68 European Commission (2020) Country Report 2020: Czechia <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0502&from=EN>

69 Baptista, Isabel and Marlier, Eric (2019) Fighting homelessness and housing exclusion in Europe: A study of national policies <https://op.europa.eu/en/publication-detail/-/publication/2dd1bd61-d834-11e9-9c4e-01aa75ed71a1/language-en>

70 Ibid.

71 Ibid.

72 European Commission (2019) RE:START-Strategy for economic restructuring of Czech coal regions https://ec.europa.eu/energy/sites/ener/files/documents/restart-strategy_for_economic_restructuring_of_czech_coal_regions.pdf

73 European Commission (2020) Country Report 2020: Czechia <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0502&from=EN>

TRANSITION TO A GREEN ECONOMY

Reaching climate neutrality by 2030 and further developing a transition to a green economy is a major challenge for Czechia. Not only does it have one of the EU's highest levels of greenhouse gas emission per capita, but the Czech economy continues to be carbon-intensive, with a 15% share of renewables in final energy consumption, below the EU average. The public is relatively unmotivated to make changes and reduce their energy consumption, an attitude which acts as an additional barrier to green transition. Furthermore, Czechia provides limited effective tax measures to incentivise such transition.⁷¹

This is a particular concern for the National Strategy Group (NSG), as no strategy has been laid out to phase out coal production, nor have any just concrete transition measures. The current RESTART programme, which aims to regenerate and achieve social stabilization for Czech coal regions, is yet to enter the implementation stage, and it faces delays due to a lack of capacity in the regions.⁷² Coal mines employ 21,000 people directly and a further 19,000 indirectly in the already poverty-stricken regions of Moravskoslezsko and Severozápad,⁷³ and the NSG expressed a need to develop further reskilling, digital-development and active-employment measures.

CIVIC SPACE

Civic space in Czechia remains open, as indicated by CIVICUS's Civic Space Monitor. Overall, the National Strategy Group (NSG) considers that civic-space freedoms are sufficiently respected. The Civil Code clarified some issues regarding the nature, structure and purpose of civil society organisations and intends to align freedom of association with the values of the constitution. The NSG has not reported any restrictions on the freedom of peaceful assembly. For example, there were peaceful anti-government protests calling for the resignation of Prime Minister Babiš over misuse of public funds and EU subsidies fraud.⁷⁴

Nevertheless, there is some unease regarding the future of civic space. One proposal would restrict subsidies to those civil society organisations that fulfil state objectives in the fields of culture, education, health and social services, and leave out environmental CSOs.⁷⁵ The NSG criticises the subjectivity of the notion of public benefit used in the proposal, as

it threatens freedom of association. Furthermore, attacks on CSOs by Prime Minister Babiš have hindered the associations' work during the pandemic.⁷⁶ Reporters Without Borders is concerned by the increased concentration of media ownership and government supervisory bodies' repeated attacks on critical journalists, which have fuelled a mistrust of the media and restricted critical journalism.⁷⁷ As a result, Czechia dropped from 13th place in 2014 to 40th in 2020 in the Reporters Without Borders (RSF) World Press Freedom Index.⁷⁸

The NSG indicates that CSOs have been relegated to a consultative role in the tripartite system of social dialogue. Without a stable funding framework and limited capacity and time to review policies, CSOs' influence in decision-making is further constrained. To change this, the NSG suggests making it mandatory to consult with CSOs, especially on key issues, following a precedent set in the Housing First programme.

74 CIVICUS (2020) Draft law seeks to reduce funding to CSOs; PM attacks CSOs during pandemic <https://monitor.civicus.org/updates/2020/08/11/draft-law-seeks-reduce-funding-csos-pm-attacks-csos-during-pandemic/>

75 CIVICUS (2020) Draft law seeks to reduce funding to CSOs; PM attacks CSOs during pandemic <https://monitor.civicus.org/updates/2020/08/11/draft-law-seeks-reduce-funding-csos-pm-attacks-csos-during-pandemic/>

76 Ibid.

77 Reporters Without Borders (2020) Czech Republic <https://rsf.org/en/czech-republic>

78 CIVICUS (2020) Draft law seeks to reduce funding to CSOs; PM attacks CSOs during pandemic <https://monitor.civicus.org/updates/2020/08/11/draft-law-seeks-reduce-funding-csos-pm-attacks-csos-during-pandemic/>

COMPARISON WITH THE COUNTRY SPECIFIC RECOMMENDATIONS

The underlying sentiment in the European Commission's 2020 country-specific recommendations for Czechia is worry over persistent regional disparities, especially between the Karlovarský and Ústecký regions and the rest of the country. These disparities are expected to grow as a result of the socio-economic crisis caused by Covid-19, and the Commission focuses its recommendations on the education system, healthcare infrastructure and green investment needs, all of which are concerns raised by the National Strategy Group. The Commission calls for healthcare to be made more resilient, especially by increasing the number of health workers, and for equal

access to inclusive, quality education and training. Even if no concerns are raised regarding the rise in unemployment as a result of the crisis, the Commission insists that active employment policies for vulnerable groups be improved and that coverage of relief measures be extended for workers in short-term contracts or hired through temporary work agencies. Furthermore, both the Commission and the NSG await the expected plans for a just transition for coal-dependent regions. However, there is no mention in the recommendations of the need to address rising housing costs or low salaries for low-skilled workers. These are, however, key concerns for the NSG.



COUNTRY MONITOR: DENMARK



Denmark remains a high performer in social protection. SOLIDAR’s National Strategic Group (NSG) indicates this is due to high social spending, a progressive tax system and a longstanding tradition of involving civil society organisations in the legislation and policymaking processes. This has resulted in an overall positive performance above the EU average. Unemployment has been reduced over the long term, though it rose from 4.9% in 2019 to 5.8% in 2020. The gender employment gap is relatively narrow, at 7.2% in 2019. The risk of poverty and social exclusion is limited and was just 16.3% in 2019. And a high standard of living is guaranteed. Yet recent welfare forms and tax cuts are at odds with Denmark’s track

record, leading to a rising concentration of wealth and a larger wage gap. This trend is especially worrying for the NSG because of the subsequent erosion of social justice, which has left low-income households with lower social protection. Despite some improvements in recent years, significant barriers persist for some groups to reach the country’s high living standards: for migrants, this concerns access to the labour market and affordable housing, and for women, equal wages and work-life balance. With the new left-of-centre coalition government, the NSG hopes that the Covid-19 pandemic will not delay the promised new direction in key areas such as education, gender equality, housing and child welfare.

	2018	2019	EU-28 2019
Gini index ¹	27.8	27.5	30.7
Unemployment ²	5.1%	5.0%	6.3%
Gender Equality Index ³	77.4 (2019)	77.4 (2020)	67.9 (2020)
In-work poverty ⁴	6.1%	6.3%	9.2%
Housing Overcrowding ⁵	9.2%	10.0%	15.6%
CIVICUS Civic Space Monitor ⁶		OPEN	N/A

Selected indicators on the state of social rights

1 Eurostat (2020). Gini coefficient of equivalised disposable income http://appsso.eurostat.ec.europa.eu/nui/show.do?lang=en&dataset=ilc_di12

2 Eurostat (2020). Unemployment by sex and age: annual data: https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_rt_a&lang=en

3 European Institute for Gender Equality (2020). Gender Equality Index <https://eige.europa.eu/gender-equality-index/2020/EE>

4 Eurostat (2020). In-work at-risk-of-poverty-rate <https://ec.europa.eu/eurostat/databrowser/view/tespm070/default/table?lang=en>

5 Eurostat (2020). Overcrowding rate by age, sex and poverty status – total population https://ec.europa.eu/eurostat/databrowser/view/ilc_lvho05a/default/table?lang=en

6 CIVICUS (2020). Civic space monitor – Denmark <https://monitor.civicus.org/country/denmark/>

EQUAL OPPORTUNITIES AND FAIR WORKING CONDITIONS

Denmark's track record on fighting inequalities has been recognised worldwide. Tax revenue as a share of GDP is higher than the European average at 45.9%,⁷ resulting from a progressive taxation system.⁸ This supports a high level of social spending and significant welfare transfers in comparison with other EU members and European neighbours. Denmark has therefore managed to reduce income inequality and maintain relatively low levels of unemployment and in-work poverty, as noted by SOLIDAR's Danish National Strategy Group (NSG), led by Nyt Europa. As a result, the country has ranked as the world's most committed towards equality in Oxfam and Development Finance International's Inequality Index,⁹ with a Gini coefficient of 28.7.¹⁰

Yet this trend has been called into question after a recent wave of welfare reforms under the pretext of boosting competitiveness and economic adjustment to globalisation.¹¹ The NSG draws attention to the introduction of a cash benefit ceiling and a reduction of support for the unemployed, people on long-term sick leave and students. Additional limitations on early retirement and flexible employment reported by the NSG have increased Denmark's

slight divergence from its reputation and from compliance with the Inequality SDGs.^{12 13} These measures, introduced from 2013 onwards, were preceded by income and real-estate tax reforms, which lowered the upper marginal rates for taxation. As a result, government expenditure as a percentage of GDP was reduced from 56.7% in 2010 to 50.9% in 2018,¹⁴ weakening the collective security system. With an increase in union-negotiated wage-security deals, the NSG indicates a possible evolution towards a two-tier labour market in terms of social security and equality of employment conditions.

As a result, Denmark has been experiencing a rise in inequality during the last 20 years. According to the Social Scoreboard, Denmark has remained in the upper middle performing group for income inequality, though it was one of the leaders before 2009.¹⁵ Incomes overall have risen 9%,¹⁶ but the NSG indicates that this growth has been far from beneficial for all, due to an increasing concentration of wealth and a larger wage gap. Since 2010, the wealthiest 10% in Denmark have seen their incomes rise by 18%, whereas incomes for the bottom 40% of earners have risen only 2%.¹⁷

7 European Commission (2020) Country Report Denmark 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0503&from=EN>

8 OECD Centre for Tax Policy and Administration (2019) Revenue Statistics 2019 – Denmark <https://www.oecd.org/tax/revenue-statistics-denmark.pdf>

9 Oxfam and Development Finance International (2018) The Commitment to Reducing Inequality Index 2018 <http://www.inequalityindex.com/>

10 World Bank (2020) GINI Index (World Bank estimate) – Denmark https://data.worldbank.org/indicator/SI.POV.GINI?locations=DK&most_recent_value_desc=false

11 Ministry of Finance (2015) Answer to Finance Committee question no. 303 (General part) of 23 May 2014 asked at the request of Frank Aaen (EL) <https://www.ft.dk/samling/20131/almdel/fiu/spm/303/svar/1241012/1514636.pdf>

12 Statistics Denmark (2019) Sustainable Development Goals Data - Target 10.1: Reduce income inequalities <https://www.dst.dk/en/Statistik/Sdg/10-mindre-ulighed/delmaal-01/indikator-1>

13 Arbejderbevægelsens Erhvervsråd (2018) Child poverty in Denmark: The cash benefit ceiling increases the number of poor children throughout the country https://www.ae.dk/sites/www.ae.dk/files/dokumenter/analyse/ae_kontanthjaelpsloftet-oger-anallet-af-fattige-born-i-hele-landet.pdf

14 Eurostat (2020) General government expenditure by function <https://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

15 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/profile>

16 Arbejderbevægelsens Erhvervsråd (2015) The richest get an ever-increasing share of the pie <https://www.ae.dk/artikler/de-rigeste-faar-en-stadig-stoerre-del-af-kagen>

17 Arbejderbevægelsens Erhvervsråd (2017) Income: The richest percent experience record high income growth https://www.ae.dk/sites/www.ae.dk/files/dokumenter/analyse/ae_den-rigeste-procent-oplever-rekordhoj-indkomstfremgang_.pdf

The disparities are even clearer for the top 1%, whose income before taxes has increased by 32% since 2010, as they reap the benefits of the abovementioned tax cuts, increases in pay and growth in the value of their fortunes.^{18 19}

Though the middle class has remained largely unaffected, inequality in Denmark is having an impact on people in lower income brackets, according to the NSG. There has been an increase in in-work poverty, from 4% in 2010 to 5.3% in 2019,²⁰ and a rise in short-term hiring and precariousness, especially amongst young people and in the entertainment and academic sectors.^{21 22} Lower-income groups have been left in a vulnerable position, with lower protection from social benefits these developments are eroding Denmark's longstanding sense of social justice

Nevertheless, the NSG reports that the new government has is interested in improving working conditions. Given a noted increase in workplace stress and growing fears over job security, a dialogue with unions has been established to provide stronger measures and funding to tackle issues related to the social environment at work. To reduce the socio-economic impact of Covid-19, Denmark mobilised DKK 127.7 billion in direct fiscal stimulus. Amongst other provisions, DKK 10 billion of that total was destined to cover income losses

for the self-employed, DKK 3.8 billion to make up for wages lost as a result of partial unemployment and DKK 200 million to provide sickness and unemployment benefits for vulnerable groups dependent on these schemes.²³

INCLUSION OF MIGRANTS AND ASYLUM SEEKERS

The social and economic inclusion of migrants and asylum seekers has been improving since 2012, with positive developments in education, labour-market participation and acquisition of Danish-language skills.^{24 25} As of 2019, 92% of migrants who had arrived in Denmark up to the age of 12 had passed the year-9 examinations, and 64% had completed mandatory education.²⁶ The employment rate of migrants, asylum seekers and people of migrant background rose to 58% in 2018²⁷ and is slowly approaching the national average employment rate of 77.5%.²⁸ These improvements are the result of the Integration Programme, a three-to-five-year programme providing support services such as language classes, counselling and skills-development activities for future participation in the labour market.²⁹

Yet significant barriers still exist to full integration. Only 36% of migrants between the ages of 25 and 39 have completed higher education.³⁰

18 Arbejderbevægelsens Erhvervsråd (2017) 52 million DKK in tax relief has primarily gone to the richest <https://www.ae.dk/analyser/52-mia-kr-i-skattelettelser-er-primært-gaaet-til-de-rigeste>

19 Økonomisk Ugebrev Ledelse (2019) The highest paid CEO earns the annual salary of 200 employees in one year <https://ugebrev.dk/ledelse/ceo-med-hoeste-loen-tjener-200-ansattes-aarsloen-paa-et-aar/>

20 EAPN (2018) Combatting In-Work Poverty: EAPN Compendium of Promising Practices https://www.eapn.eu/wp-content/uploads/2019/02/EAPN-CompendiumEAPN-V4_nobleed-00.pdf

21 Gleeup, Janne; Jakobsen, Anders; and Warring, Niels (2018) Experiences of precarious work among graduates in the Danish labour market <https://forskning.ruc.dk/en/publications/experiences-of-precarious-work-among-graduates-in-the-danish-labo>

22 Akademikerne (2020) The Working Environment of Academics: 2020 edition https://www.akademikerne.dk/wp-content/uploads/2020/05/ArbejdsmiljøC3%B8Rapport_2020_v3.pdf

23 Bruegel (2020) Bruegel Datasets: The fiscal Response to the Economic Fallout from the Coronavirus – Denmark <https://www.bruegel.org/publications/datasets/covid-national-dataset/#denmark>

24 European Commission (2020) Governance of Migrant Integration in Denmark <https://ec.europa.eu/migrant-integration/governance/denmark>

25 Det nationale integrationsbarometer (2020) Development report: The national integration barometer and key figures on refugees <https://integrationsbarometer.dk/udviklingsrapporter/hele-landet.html> (retrieved in 3/08/2020)

26 Ibid.

27 Ibid.

28 European Commission (2020) Country Report Denmark 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0503&from=EN>

29 European Commission (2020) Governance of Migrant Integration in Denmark <https://ec.europa.eu/migrant-integration/governance/denmark>

30 Det nationale integrationsbarometer (2020) Development report: The national integration barometer and key figures on refugees <https://integrationsbarometer.dk/udviklingsrapporter/hele-landet.html> (retrieved in 3/08/2020)

One in two migrants has reported language difficulties.³¹ Of those with an ethnic background, 48% have experienced discrimination, a rate that has been rising since 2012.³² These barriers to integration are even more evident in a labour market with a bias against non-Danish sounding names, as shown by research from the University of Copenhagen.³³ Women wearing headscarves have to apply to 60% more jobs to reach the interview stage than women without headscarves. The NSG notes that, in the absence of targeted active employment plans, migrants and their descendants are exposed to inequalities and discrimination more than other groups.

Moreover, the Danish Government shifted its focus in 2019 from the integration of refugees to their return. Without replacing the existing integration programme, efforts are being redirected to develop refugees' ability to support themselves and return to their home countries, when conditions are safe.^{34 35}

GENDER EQUALITY

Denmark was second in the EU in the 2020 Gender Equality Index with a score of 77.5,³⁶ as a result of its gender-equality measures. The National Strategy Group (NSG) reports overall improvements since 2015. The gender gap in the employment rate now stands at 7.2%, much lower than the EU average of 11.4% in

2019,³⁷ positioning Denmark in the high-performance group on the Social Scoreboard.³⁸ Gender-segregated wages were outlawed for companies with under 35 employees, while those with 35 or more had to produce equal-pay statistics.³⁹ Municipalities have to guarantee affordable formal childcare to assure a greater work-life balance. However, the NSG raises concerns over the reduction in specific policies to further tackle gender inequalities. It indicates that improvements are still needed with regard to the type of participation in the workforce, the gender pay gap, and work-life balance.

The Danish labour market remains highly segregated, according to the NSG. Most women are employed in the public sector or traditionally feminised sectors.⁴⁰ This has a significant impact on wages due to the baseline salaries decision of 1969, which set lower pay rates in these sectors. The unadjusted pay gap stands at 14.5% and the adjusted gap at 7%.⁴¹ Furthermore, the NSG clarifies that legislation on equal-pay statistics, which already allows companies to freely choose how to implement such initiatives, leaves a lot of room for varying approaches. Inevitably, the diverging statistical methods make it harder to compare such data.

Despite performing above average in work-life balance,⁴² thanks largely to the provision of free formal childcare, Denmark still falls behind its Scandinavian countries in standards,

31 Det nationale integrationsbarometer (2020) Development report: The national integration barometer and key figures on refugees <https://integrationsbarometer.dk/udviklingsrapporter/hele-landet.html> (retrieved in 3/08/2020)

32 Ibid.

33 Dahl, Malte and Krog, Niels (2018) Experimental Evidence of Discrimination in the Labour Market: Intersections between Ethnicity, Gender and Socio-Economic Status <https://academic.oup.com/esr/article-abstract/34/4/402/5047111?redirectedFrom=fulltext>

34 European Commission (2020) Governance of Migrant Integration in Denmark <https://ec.europa.eu/migrant-integration/governance/denmark>

35 European Commission (2020) Country Report Denmark 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0503&from=EN>

36 European Institute for Gender Equality (2020) Gender Equality Index for Denmark for 2019 <https://eige.europa.eu/gender-equality-index/2019/DK>

37 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/profile>

38 Ibid.

39 Ministry of Employment (2020) Gender-disaggregated wage statistics <https://www.bm.dk/arbejdsmraader/arbejdsvilkaar/ligestilling/koensopdelt-loenstatistik/>

40 VIVE (2019) Women's professionals are still low-wage earners <https://via.ritzau.dk/pressemeddelelse/kvindefag-er-stadig-lavtlonsfag?publisherId=13559123&releaselid=13583192>

41 VIVE (2018) Decrease in the pay gap between women and men <https://www.vive.dk/da/nyheder/2018/fald-i-loenforskellen-mellem-kvinder-og-maend/>

42 European Commission (2020) Country Report Denmark 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0503&from=EN>

as indicated by the NSG. On average, women in Denmark take 276.8 days of maternity leave⁴³ and spend 3 hours 28 minutes a day on housework,⁴⁴ whilst men only take 28.8 leave days⁴⁵ and spend 2 hours 34 minutes a day on housework.⁴⁶ Furthermore, the differences between maternity and paternity leave following childbirth are still considerable, with men only entitled to two weeks paid paternity leave, in comparison to 18 weeks maternity leave. In this context, the NSG is positive about the introduction of collective agreements in the private sector, which encourage up to eight paid weeks of parental leave, and it awaits the implementation of the recent EU work-life balance directive.

EDUCATION

GOOD PRACTICE

Through the allocation of DKK 500 million in 2020 directly to municipalities to pay for day-care institutions, Denmark is ensuring that the staff-to-child ratio increases by employing a minimum of 1,050 full-time educators, pedagogical assistants and pedagogical assistants. This is expected to raise the quality of early-childhood education and to break the dependency of educational performance on the income of children's parents.

Ministry of Children and Education (2020) Political agreement on the implementation of DKK 500 million for more educational staff.⁴⁷

Given increases in the early-leaver rate from 7.5% in 2016 to 9.9% in 2019 and the NEET (not in education, employment or training) rate from 6.7% in 2016 to 7.7% in 2019,^{48 49} the NSG welcomes the measures introduced by the Mette Frederiksen government to curb these trends. Acknowledging the PISA test results, a 2019 agreement⁵⁰ promises to increase the number of educators, ease entrance requirements related to age and other factors and eliminate testing at elementary-school level. Furthermore, the new government removed both a plan for a 2% annual cut to the higher-education budget and Denmark's ban on the pursuit of simultaneous degrees. These measures are intended to halve the NEET rate by 2030,⁵¹ and the NSG hopes that they will improve student support, reduce the pressure on students and break the link between educational performance and parental income.⁵²

Despite this shift in direction, the NSG raises some concerns. One is whether the funding lost by universities over the last few years will be reintroduced into the higher education system. Another is the economic impact of the pandemic, which the NSG hopes does not affect the promises made on education goals.

43 University of Copenhagen (2018) It costs women 20 percent of the salary to have children https://nyheder.ku.dk/alle_nyheder/2018/03/det-koster-kvinder-20-procent-paa-loennen-at-faa-boern

44 ROCKWOOL Foundation (2018) More free time for Danes in the period from 2008 to 2018 https://www.rockwoolfonden.dk/app/uploads/2018/11/RFF-NYT-November-2018_Hvordan-bruger-danskerne-tiden.pdf

45 University of Copenhagen (2018) It costs women 20 percent of the salary to have children https://nyheder.ku.dk/alle_nyheder/2018/03/det-koster-kvinder-20-procent-paa-loennen-at-faa-boern

46 ROCKWOOL Foundation (2018) More free time for Danes in the period from 2008 to 2018 https://www.rockwoolfonden.dk/app/uploads/2018/11/RFF-NYT-November-2018_Hvordan-bruger-danskerne-tiden.pdf

47 <https://www.uvm.dk/aktuelt/nyheder/uvm/2020/feb/200217-politisk-aftale-om-udmontning-af-500-mio-kr-til-mere-paedagogisk-personale>

48 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/profile>

49 Ibid.

50 Altinget (2019) Political understanding between the Social Democrats, the Radical Left, the Socialist People's Party and the Unity List: A fair direction for Denmark https://www.altinget.dk/misc/Retf%C3%A6rdig%20retning%20for%20Danmark_2019-06-25_ENDELIG.pdf

51 Ministry of Education and Research (2019) Press Release: Savings on education are removed and the education ceiling is abolished <https://ufm.dk/aktuelt/pressemeddelelser/2019/besparelser-pa-uddannelser-fjernes-og-uddannelsesloftet-afskaffes>

52 Ibid.

SOCIAL PROTECTION AND INCLUSION

There is widespread agreement on the positive impact of the social protection and active labour policies that are provided by the high level of social security in Denmark, the National Strategy Group (NSG) indicates. This is reflected in Denmark's overall performance on the Social Scoreboard, where it often ranks amongst the highest EU member states.⁵³ The AROPE (at risk of poverty or social exclusion) rate is 16.3%, significantly below the EU average.⁵⁴ The impact of social transfers remains high, reducing the risk of poverty by around 47%, which makes Denmark as one of Europe's best-performing countries.⁵⁵

Yet, according to a more nuanced view, the reduction of social support in recent years is having a toll on Denmark's performance in social protection. Despite the AROPE rate being relatively stable in the last few years, it remains above its 2008 level.⁵⁶ The NSG is also concerned with the increase in child poverty. As an example, the introduction of the cash benefit ceiling in 2016 was by itself responsible for a 25% rise in the number of one-year-old children below the poverty line, from 48,300⁵⁷ to 64,500 in 2017.⁵⁸ This prompted the new social democratic government to create a commission to develop a targeted policy to alleviate child poverty.⁵⁹

There is plenty of affordable housing in Denmark. The growth in prices slowed in 2019 to 2.4% over the previous year, following a number of years when rises were above the EU average.⁶⁰ Despite this, the European Commission's 2020 country report⁶¹ indicates that Denmark still has the EU's second highest share of income dedicated to housing, an average of 28.1%. This situation raises several alarms for the capital region, in particular a potential deterrence effect on living in Copenhagen despite the increasing employment opportunities there. Concerns have been raised over potential limitations on job mobility.⁶² Given these developments in the housing market, the NSG awaits the government's plans to combat rent increases.

Access to free healthcare is guaranteed in Denmark, and it is supported by the highest government health expenditure in the EU relative to the size of the economy, at 8.3% of GDP.⁶³ The public healthcare system's good performance is reflected in low levels of unmet needs and out-of-pocket expenditure, which are both below the EU average.⁶⁴ Nevertheless, the NSG and Oxfam Ibis point out existing inequalities in access to essential care: people with lower levels of education and income sometimes have difficulties in navigating the healthcare

53 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/profile>

54 Ibid.

55 Ibid.

56 European Commission (2020) Country Report Denmark 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0503&from=EN>

57 https://www.ae.dk/sites/www.ae.dk/files/dokumenter/analyse/ae_kontanthjaelpsloftet-oger-antallet-af-fattige-born-i-hele-landet.pdf

58 Arbejderbevægelsens Erhvervsråd (2018) The cash benefit ceiling is increasing the number of poor children across the country https://www.ae.dk/sites/www.ae.dk/files/dokumenter/analyse/ae_sorgeligrekord-der-har-aldrig-vaeret-flere-fattige-born.pdf

59 Ministry of Employment (2019) Agreement on a new temporary child allowance https://bm.dk/media/10660/aftaletekst_boer-netilskud.pdf

60 European Commission (2020) Country Report Denmark 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0503&from=EN>

61 Ibid.

62 Ibid.

63 Eurostat (2020) General Government expenditure by Function (COFOG) <https://appsso.eurostat.ec.europa.eu/nui/submitView-TableAction.do>

64 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/profile>

system.⁶⁵ This has an impact on future personal health prospects: 36% of people with only a primary-school education indicate concerns over whether they will reach the retirement age in good health.⁶⁶ In the context of demographic developments that are raising the demand for quality healthcare, the NSG indicates the need to further health funding to reduce inequality.

The NSG presents the case for particular focus on migrants' social protection, due to their unequal access to such support, as reported by Oxfam Ibis in their Inequality Report.⁶⁷ A particular concern for the NSG is the proposal

for the Ghetto-pakke, a controversial plan to demolish and refurbish vulnerable housing areas by 2030, which was launched by the previous, conservative, government in 2018.⁶⁸ This will have an impact on the availability of affordable housing for migrants, and the NSG considers the plan racist, because inhabitants' ethnicity is a factor for deciding the areas in which buildings should be torn down. Migrants are facing further barriers in access to healthcare: after the reintroduction of interpretation fees in 2018, migrants with limited language skills face higher costs to meet their healthcare needs.⁶⁹

CIVIC SPACE

Civic space in Denmark is considered as open by CIVICUS.⁷⁰ Freedom of speech, association and assembly are secured by the constitution, and the exercise of these has not been restricted in recent years. Reporters Without Borders ranks Denmark as third in terms of press freedom and freedom of expression in its 2020 World Press Freedom Index.⁷¹ Despite the introduction of Covid-19 preventive measures and an initial ban on public gatherings of more than 10 people, freedom of assembly is respected albeit with minor limitations on attendance. This was seen when the Black Lives Matter protests were organised in June.⁷² Furthermore, the National Strategy Group reports that the parliament's Freedom of Speech

Commission plans to clarify the use of free speech in the workplace and provide guidelines on upholding these rights.

With a longstanding tradition of social dialogue, Denmark often involves civil society organisations formally and informally in the legislative and policymaking processes. The NSG reports that these practices occur with politicians from all parties and on subjects such as education, the labour market and gender equality. Yet, it voices some concerns regarding the trend to limit consultation processes. The NSG requests that this trend be reversed in order to maintain democratic standards and guarantee equality of participation for all social partners.

65 Danish Health Council (2017) Danish Health: The National Health Profile 2017 https://www.sst.dk/da/udgivelser/2018/~/_media/73EADC242CDB46BD8ABF9DE895A6132C.ashx

66 ActionAid Denmark (2019) Inequality in Denmark: An overall appeal for the Sustainable Development Goal # 10 on how we together can reduce inequality in Denmark <https://www.ms.dk/sites/default/files/filarkiv/sdg-rapport2019.pdf>

67 Oxfam Ibis (2020) Oxfam Inequality Report 2020 <https://oxfamibis.dk/oxfams-ulighedsrapport-2020/>

68 DR (2018) OVERVIEW How the government wants to eradicate the 12-year-old ghettos <https://www.dr.dk/nyheder/politik/overblik-saadan-vil-regeringen-udrydde-ghettoerne-paa-12-aar>

69 Danish Nurses' Council (2019) Elderly and sick immigrants are lost in the system <https://dsr.dk/sygeplejersken/arkiv/sy-nr-2019-3/aeldre-og-syge-indvandrere-bliver-tabt-i-systemet>

70 CIVICUS (2020) Denmark <https://monitor.civicus.org/country/denmark/>

71 Reporter Without Borders (2020) 2020 World Press Freedom Index <https://rsf.org/en/2020-world-press-freedom-index-entering-decisive-decade-journalism-exacerbated-coronavirus>

72 CIVICUS (2020) Denmark <https://monitor.civicus.org/country/denmark/>

COMPARISON WITH THE COUNTRY SPECIFIC RECOMMENDATIONS

The European Commission's 2020 Country Specific Recommendations for Denmark⁷³ are mostly concerned with the measures to mitigate the impact of the Covid-19 pandemic, and they also carry out a brief follow-up on the 2019 recommendations. The Commission approved of the extraordinary plans introduced since March, as these are in line with the EU guidelines on the coordinated response to the pandemic. The recommendations were positive over the provision of temporary wage compensation and support for those most affected by the health crisis. Recommendations to build the resilience of the healthcare system by increasing the availability of healthcare

personnel and critical medical products are in line with the National Strategy Group's (NSG) request for additional funding to future-proof the system. Similarly, there seems to be room for agreement between the Commission recommendations to increase investment in the digital education infrastructure and the NSG's indications of the need for further education support. However, the overall approach of the Commission's country specific recommendations retains the premise that fiscal sustainability must be a priority.⁷⁴ Rising inequality and its social consequences are still not addressed, despite concerns over these raised by the NSG.

73 European Commission (2020) 2020 European Semester: Country Specific Recommendation – Denmark <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020DC0504&from=EN>

74 Ibid.



solidar



COUNTRY MONITOR: ESTONIA



In 2019, Estonia's real GDP growth was relatively strong, at an estimated 3.8%.¹ Similarly, the labour market continued to perform well, and the employment rate reached 78.9%.² However, in the second quarter of 2020, the employment rate decreased to 77.9%,³ showing the first effects of Covid-19. As a response to the pandemic, extraordinary measures were approved, most of which aimed to help businesses stay afloat.⁴ Despite an increase in wages in recent years, Estonia's performance on income equality was classified as "lower middle" in 2019 by the Social Scoreboard,⁵ and the percentage of people living at risk of poverty or social exclusion in 2018

was 21.9%, well above the euro-area average of 16.9% and the EU average of 17%.⁶ The findings of the European Commission's 2020 Country Report show that Estonia faces major challenges with respect to its health system, the accessibility of social-safety-net services and the adequacy of the pension system. These points are highlighted by the National Strategy Group as well. Furthermore, the great regional disparities and the high carbon and energy intensity that characterize the country are also urgent issues that need to be tackled. The NSG identifies the inadequacy of housing as another priority, as almost 13% of houses in Estonia do not have basic amenities.⁷

1 European Commission (2020) Country Report Estonia 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX-52020SC0505&from=EN>

2 Eurostat (2020) Employment and activity by sex and age - annual data https://ec.europa.eu/eurostat/databrowser/view/LFSI_EMP_A_custom_125922/default/table?lang=en

3 Eurostat (2020) Employment and activity by sex and age - quarterly data https://ec.europa.eu/eurostat/databrowser/view/LFSI_EMP_Q_custom_125914/default/table?lang=en

4 Eurofound (2020) COVID-19 EU Policy Watch <https://static.eurofound.europa.eu/covid19db/countries/EE.html>

5 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

6 Eurostat (2020) Income poverty statistics https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Income_poverty_statistics&oldid=440992

7 Inimareng (2020) Estonian Human Development Report 2019/2020 <https://inimareng.ee/n%C3%BC%C3%BCdisaegsed-ela-mistingimused-kelle-privileeg.h>

	2018	2019	EU-28 2019
Gini index ⁸	30.6	30.5	30.1
Unemployment ⁹	5.4%	4.4%	6.3%
Gender Equality Index ¹⁰	59.8 (2019)	60.7 (2020)	67.9 (2020)
In-work poverty ¹¹	9.5%	10.3%	9.2%
Housing Overcrowding ¹²	12.6%	13.9%	15.6%
CIVICUS Civic Space Monitor ¹³		OPEN	N/A

Selected indicators on the state of social rights

EQUAL OPPORTUNITIES AND ACCESS TO THE LABOUR MARKET

Estonian income taxes are not strongly progressive. The government's goal is to shift the tax burden from income to consumption.¹⁴ Furthermore, Estonia's tax system includes a unique corporate income tax (introduced in 2000) that provides that only distributed profits are taxed. Although the aim of this measure is to encourage companies to re-invest, the unwanted effect is to push companies to pay dividends irregularly in order to avoid taxation, the NSG reports.

Nevertheless, it should be noted that, thanks to the tax reform law introduced on 1 January 2018, the Estonian tax system has become slightly more progressive. The new law establishes a basic exemption of EUR 500 on monthly income of up to EUR 1,200. For monthly income above EUR 1,200, the basic

exemption decreases along with the growth in income, until an annual income threshold of EUR 25,200.¹⁵ This measure particularly benefits low-income workers. Overall, the main recent changes concerning taxation are: the possibility to transfer some benefits and allowances received at the end of one year to the following one, in order to avoid additional income taxes; an increase in the additional exemption for families with children (on top of the EUR 6,000 basic exemption) from EUR 1,200 to EUR 3,048 per year, starting from the third child; and the exclusion of commuting benefits from the list of taxed-related benefits.¹⁶

With regard to social benefits, the National Strategy Group positively evaluates the measures introduced between 2017 and 2020. Besides the above-mentioned increase in the

8 Eurostat (2020). Gini coefficient of equivalised disposable income http://appsso.eurostat.ec.europa.eu/nui/show.do?lang=en&dataset=ilc_di12

9 Eurostat (2020). Unemployment by sex and age: annual data: https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_rt_a&lang=en

10 European Institute for Gender Equality (2020). Gender Equality Index <https://eige.europa.eu/gender-equality-index/2020/EE>

11 Eurostat (2020). In-work at-risk-of-poverty-rate <https://ec.europa.eu/eurostat/databrowser/view/tespm070/default/table?lang=en>

12 Eurostat (2020). Overcrowding rate by age, sex and poverty status – total population https://ec.europa.eu/eurostat/databrowser/view/ilc_lvho05a/default/table?lang=en

13 CIVICUS (2020). Civic space monitor – Estonia <https://monitor.civicus.org/country/estonia/>

14 Rahandusministeerium (2019) Tax and Customs Policy <https://www.rahandusministeerium.ee/en/tax-and-customs-policy>

15 Tax and Custom Board (2017) Tax-free income calculation <https://www.emta.ee/eng/private-client/declaration-income/amount-tax-free-income-beginning-1-january-2018>

16 Rahandusministeerium (2019) Tax and Customs Policy <https://www.rahandusministeerium.ee/en/tax-and-customs-policy>

basic tax exemption, other measures have helped alleviate the inequalities affecting vulnerable groups such as disabled people, low-paid workers and families with children, according to the NSG. In particular, after complicated negotiations between social partners – which resulted in an agreement only after the intervention of the national conciliator – the minimum wage increased by 7.6% in 2020, from EUR 540 per month to EUR 584.¹⁷ Also, average pensions rose 9% in 2020 as a consequence of indexation.¹⁸ However, the retirement-age population, especially pensioners living alone, still face difficulties coping and often have to apply for subsistence benefits. In fact, Estonia spends less than the EU average on social protection, including pensions.¹⁹ As a consequence of a reform of the family allowance system, all forms of family allowance have been united under the same system and increased by at least one third. Moreover, since 2018 it has been easier for a primary carer to work part time while receiving the parental benefit, and the paternal leave period has been extended from 10 to 30 days and made more flexible for the first three years of a child's life.²⁰ Furthermore, a paternal benefit, independent from and additional to the parental one, has been introduced.²¹ In 2017, a 20% increase in social benefits and pensions targeting disabled people was introduced. Disability benefits for children have increased two- to threefold as of 2020.²² Overall, unemployment allowances have not increased in recent years, and no occupational health and safety insurance has been introduced, despite the great need for it underlined by the NSG.

Pensions and their sustainability represent a major issue for the Estonian welfare system, reports the NSG. The pension system is based on a three-pillar model. The first pillar is the public pay-as-you-go system, while the second and third pillars are funded pension systems. The second pillar, which is mandatory for people born after 1983, is financed through a percentage of a worker's gross salary and social taxes. The third pillar is voluntary. The Estonian government coalition, led by the Prime Minister Jüri Ratas, in his second mandate, has presented a pension system reform bill that initiated a heated debate. The objective of the proposal is to make the second pillar of the pension system voluntary. The European Commission identifies potential risks in this proposal in terms of the adequacy of the pension system.²³ Furthermore, the plan received negative feedback from interest groups, including the Estonian Trade Union Confederation (EAKL) and the Estonian Employers' Confederation (ETTK). The stakeholders argued that over the long term the plan could result in a greater risk of poverty among retired people, a higher retirement age, an increased tax burden, or a larger foreign share of the workforce.²⁴ The NSG fully agrees on this point. President Kaljulaid appealed to the Supreme Court in order to assess whether the reform respects the basic rights of workers, but her appeal was rejected at the end of October. It is therefore likely that the reform will be adopted in its current version.

The National Strategy Group points out that, due to insufficient budget allocations, social services do not respond adequately to the

17 Eurofound (2020) Living and working in Estonia <https://www.eurofound.europa.eu/country/estonia#highlights-working-life-in-2019>

18 Social Insurance Board (2020) Pension indexation <https://www.sotsiaalkindlustusamet.ee/en/pension-benefits/pension-indexation#T%C3%A4pse%20pensioni%20suuruse%20vaatamine%20alates%2002.04.2018>

19 European Commission (2020) Country Report Estonia 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0505&from=EN>

20 European Commission (2020) Country Report Estonia 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0505&from=EN>

21 Eesti.ee (2020) Parental leave <https://www.eesti.ee/en/family/pregnancy-and-early-childhood/parental-leave/>

22 European Commission (2020) Country Report Estonia 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0505&from=EN>

23 Ibid.

24 Eurofound (2020) Living and working in Estonia <https://www.eurofound.europa.eu/country/estonia#highlights-working-life-in-2019>

needs of the population. The same problem emerges from the European Commission's Country Report Estonia 2020. Moreover, the NSG adds that wide regional differences can be observed, as several welfare services are regulated by local governments.

INCLUSION OF MIGRANTS

The phenomenon of migration to Estonia can be divided into two periods: the first labour immigration of Russian-speakers under the Soviet occupation between 1950 and 1990 and the modern immigration period, which began in 2000. According to the Estonian Human Rights Centre, the major challenges linked to immigration in Estonia are short-term migration and increases in the volume and diversity of immigration flows.²⁵ Estonia has so far set up three integration strategies: the first between 2000 and 2007, the second from 2008 and 2013 and the last, Integrating Estonia 2020, in effect since 2014. The implementation of Integrating Estonia 2020 is monitored by a steering group composed of public sector representatives and civil society organizations.²⁶ This last strategy, in addition to integrating Estonian-speaking permanent residents and residents with other mother tongues, also supports the adaptation and integration of new immigrants.²⁷ A new integration plan is being drafted for 2021-2030, but the NSG notices that there is no clarity on what the main directions and actions of migration and integration policy will be for the coming decade.

Despite some positive trends in the integration process of first-generation migrants over

the years, Estonian society is still divided along ethnic and linguistic lines. This is true also with respect to the labour market. In fact, although occupational segmentation along horizontal ethnic lines has decreased in recent years, barriers between Estonians and Estonian-Russians are persistent.²⁸ Another relevant obstacle to the social integration of the Russian-speaking minority is residential segregation. Education has a crucial role in the integration process of ethnic minorities, and the dual-language school system has often been discussed as a system that perpetrates divisions and that should thus be modified.²⁹ Different patterns of media consumption also contribute to the cultural divisions in Estonian society.³⁰

The National Strategy Group observes that there have been very few changes in the approach to modern migration in recent years. Conservative populists in the Estonian government have taken a hard-line stance with the aim of limiting all forms of migration. The Covid-19 crisis has provided further opportunity to reinforce this position. Xenophobia continues to be widespread in Estonian society, and politicians' insulting statements together with acts of violence make the picture even more worrying. It is important to notice that immigrants in possession of short-term permits or visas do not have access to A1 language courses, which are part of the national adaptation programme. Furthermore, the above-mentioned group and their families are excluded from healthcare, education and other support services, which instead are guaranteed only to holders of residence permits.³¹

25 Estonian Human Rights Centre (2020) National minorities and integration policy <https://humanrights.ee/en/materials/inimoi-gused-eestis-2020/rahvusvahemused-ja-loimumispoliitika/>

26 European Commission (2020) Governance of Migrant Integration in Estonia <https://ec.europa.eu/migrant-integration/governance/estonia>

27 Estonian Human Rights Centre (2020) National minorities and integration policy <https://humanrights.ee/en/materials/inimoi-gused-eestis-2020/rahvusvahemused-ja-loimumispoliitika/>

28 Inimareng (2017) Estonian Human Development Report 2016/2017. Estonia at the Age of Migration <https://2017.inimareng.ee/en/immigration-and-integration/ethnic-segregation-in-the-estonian-labour-market/>

29 Mägi, K. (2018) Ethnic residential segregation and integration of the Russian-speaking population in Estonia https://dspace.ut.ee/bitstream/handle/10062/62344/magi_kadi.pdf?sequence=1&isAllowed=y

30 Estonian Human Rights Centre (2020) National minorities and integration policy <https://humanrights.ee/en/materials/inimoi-gused-eestis-2020/rahvusvahemused-ja-loimumispoliitika/>

31 Ibid.

GOOD PRACTICE MIGRASCOPE

MIGRASCOPE³² was a two-year project co-funded by the Asylum, Migration and Integration Fund of the European Union and implemented in seven EU countries, including Estonia, in 2017 and 2018. The organization responsible for its implementation in Estonia was the Institute of Baltic Studies in collaboration with Enterprise Estonia. The main goal of MIGRASCOPE was to facilitate the integration of migrants into the labour market, by employers implementing new good integration practices in workplaces, by increasing migrants' knowledge and by better managing migrants' expectations.

The tools employed to achieve this goal were capacity-building activities targeting both employers and migrants, work-shadowing and the adoption of good practices and two state-of-the-art e-services (including mobile apps). These e-services were created through collaboration with migrant entrepreneurs, who acted as role models and cooperated in the creation of solutions aimed at overcoming cultural barriers.³³

EDUCATION AND YOUTH UNEMPLOYMENT

Estonia's performance in relation to early leavers, formal childcare and NEETs (people not in employment, education or training) is classified as "upper middle" by the Social Scoreboard.³⁴ The percentage of early leavers was below the EU average in 2019.³⁵ However, a lack of gender balance affects the early-leaver rate for basic school, as twice as many boys as girls drop out of school at this stage. Traditionally, there have also been more males than females (up to twice as many) among young people (aged 18-24) with a low level of education who are not studying.³⁶ Overall, according to the OECD, the Estonian education system is high-performing: "Coverage rates in pre-primary education are high, participation in schooling is almost universal, the performance of students at the secondary level is among the best in Europe and adults have literacy and numeracy skills above the OECD average."³⁷ Only Russian-language schools are identified as a concern within the Estonian school system.

As for early leavers, the rate of NEETs (6.9%) is lower than in many other countries in the EU. In fact, the rate is significantly lower than the EU and euro-area averages, which are both 10%.³⁸ Youth unemployment was 7.1% in 2019, more

32 Migrascope (2017) Extending the Scope of Labour Market Integration of Immigrants https://migrascope.eu/?fbclid=IwAR1jb-cd-Bo9YGGxQEQhsciihwe_fd-NQrkguliwvmWoNQD61PCivFKVh4m4

33 Bridges (2017) The Institute of Baltic Studies <https://ngobridges.com/ngo/view/180>

34 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

35 Eurostat (2020) Early leavers from education and training by sex and labour status https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=edat_ifse_14&lang=en

36 Valk, A. (2017) Soolised lõhed hariduses <https://rito.riigikogu.ee/wordpress/wp-content/uploads/2017/12/Valk.pdf>

37 OECD (2016) School education in Estonia <https://www.oecd-ilibrary.org/docserver/9789264251731-5-en.pdf?expires=1603905654&id=id&accname=guest&checksum=BFCB73A4BB383C013E90866A10C57194> p.35.

38 Eurostat (2020) Young people aged 15-24 neither in employment nor in education and training (NEET), by sex - annual data <https://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

than 5 percentage points below the euro-area rate.³⁹ People with higher educational levels have higher employment rates. Of people who had completed their studies at a vocational educational institution between 2005 and 2016, 74% were employed in 2017. For those who had completed studies at an institution of higher education between 2005 and 2016, 80% were employed in 2017.⁴⁰ However, it should be noted that young people find it difficult to

choose the right educational path and speciality. According to the 2018 Labour Force Survey conducted by Statistics Estonia in 2018 a total of 4% of young people (5,400) were not studying for job-related reasons and 3.9% (5,200) because they had not found a suitable school or speciality. Of young people who had not completed their studies, the reason for 40% was that the studies were unrelated to their needs or interests.⁴¹

39 Eurostat (2020) Youth unemployment rate by sex, age and country of birth https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=yth_empl_100&lang=en

40 Ministry of Education and Arts (2019) Kutse-ja kõrgharidusõpingud lõpetanute edukus tööturul 2017 https://www.hm.ee/sites/default/files/edukus_tooturul_2019.pdf

41 Statistics Estonia (2018) Labour Force Survey https://www.stat.ee/valjaanne-2018_eesti-piirkondlik-areng-2018

FAIR WORKING CONDITIONS

Besides the above-mentioned increase in the minimum wage and the second pension pillar becoming voluntary, there have been important recent developments in terms of working conditions and in health and safety in the workplace. For instance, penalty clauses can be inserted into employment contracts with the objective of sanctioning both employers and employees who do not respect occupational health and safety requirements. Also, the definition of psychosocial hazards has been broadened, and an employer's obligations related to the risks have been defined. Moreover, in July 2019, the Ministry of Social Affairs published guidelines and recommendations for employers and employees on health and safety in telework.⁴² These last actions are particularly relevant in consideration of the work situation during the Covid-19 pandemic.

With regard to work contracts, the National Strategy Group for Estonia stresses that there is increasing inappropriate use of contracts for services for regular work that should instead be governed by regular employment contracts. It goes without saying that this practice entails reduced social guarantees for workers. Nevertheless, it is true that in recent years some improvements have been made towards making employment and services contracts more similar with respect to social-protection guarantees.⁴³ Furthermore, the NSG mentions the obligation to register all employment contracts

with the Tax and Customs Board as a significant development for labour rights in the country.

Overtime work is identified by the National Strategy Group as one of the main problems that affect the organization of work in Estonia, particularly in the services, trade and medical industries. The latest statistics published by the Ministry of Social Affairs refer to 2015. In that year, 57% of workers declared they had worked overtime, 6 percentage points more than in 2009. Yet, on a positive note, the number of workers who claimed that they were not compensated for working overtime had decreased, from 24% to 13%.⁴⁴ The same report by the Ministry of Social Affairs shows that collective employment relationships had changed in the preceding years. More precisely, in large companies and organizations with at least 250 employees, both the number of trade unions and the number of trade union members had dropped. Consequently, the percentage of large companies and organizations with collective agreements had decreased from 39% to 27%.⁴⁵ The NSG highlights the fundamental role played by employees' representatives in giving employees a say in the definition of working conditions and in the organization of work in the company. Strengthening the role of employees' representatives could help with one issue that employees consider particularly negative for work-life balance: the inflexibility of working schedules.⁴⁶

42 Eurofound (2020) Living and working in Estonia <https://www.eurofound.europa.eu/country/estonia#working-life>

43 Erikson, M.; Rosin., A. (2018) Tuleviku töötajajõiguslik status <https://www.riigikogu.ee/wpcms/wp-content/uploads/2017/09/T%C3%B6%C3%B6tegija-%C3%B5iguslik-staatus.pdf>

44 Ministry of Social Affairs (2017) Eesti tööelu-uuring 2015 https://www.sm.ee/sites/default/files/content-editors/Ministeerium_kontaktid/Uuringu_ja_analuusid/eesti_toelu_uuring_2015.pdf

45 Ibid.

46 Ibid.

PRECARIOUSNESS AND GENDER EQUALITY

Only 2.4% of working contracts were temporary in Estonia in 2019.⁴⁷ This indicator was accompanied by one of the EU's lowest rates of unemployment in 2019, 4.4%.⁴⁸ Therefore, precariousness does not represent a major issue for the Estonian labour market. Yet, some groups in society are more vulnerable than others. Due to a shortage of labour in recent years, a large number of workers coming from third countries have been employed mainly in the agriculture, construction and services industries. This group is very often not covered by social protection, since short-term contracts are the norm.

Young people are another vulnerable category. The in-work poverty rate was higher among people aged 18-24 in 2017 than it was for other age groups.⁴⁹ In the same year, almost half of 17-year-olds had some work experience. It is alarming that, according to data from 2018, while 59% had worked under an employment contract, 37% had done so under a contract under the law of obligations (an authorisation agreement or contract for services). These contracts do not guarantee adequate rest periods or sufficient protection against risks in the workplace.⁵⁰ In the view of the National

Strategy Group, young people need more guidance and supervision than adult employees. This situation is particularly urgent, given that occupational accidents are more common among younger employees.⁵¹

With reference to data from 2018, Estonia's gender pay gap (22.7%) is the highest among European Union countries.⁵² Despite gender discrimination being prohibited by the Gender Equality Act⁵³ and despite the negative performance of Estonia in terms of gender equality, the National Strategy Group points out that there is currently no mechanism in place for overseeing the status of the gender pay gap. Another element that is worth mentioning is that more than twice as many women worked part-time in 2018 as men.⁵⁴ In fact, the burden of domestic responsibilities is still an obstacle to gender equality in Estonia.⁵⁵ Nevertheless, it should be mentioned that the percentage of children aged between three and five enrolled in pre-primary or primary school has increased over the past years and reached 91% in 2017.⁵⁶ This is an encouraging sign for the economic empowerment of women, and it has been reinforced by the recent extension of paternity leave from 10 to 30 days and the possibility for any parent (with no gender distinction) to benefit from parental leave.⁵⁷

47 Eustostat (2020) Temporary employees as percentage of the total number of employees <https://ec.europa.eu/eurostat/databrowser/view/tesem110/default/table?lang=en>

48 Eurostat (2020) Total unemployment rate <https://ec.europa.eu/eurostat/databrowser/view/tps00203/default/table?lang=en>

49 European Social Policy Network (2019) ESPN Thematic Report on In-work poverty – Estonia file:///C:/Users/martina/AppData/Local/Temp/3/ESPN_EE_TR1_2018-19%20on%20in-work%20poverty_final.pdf

50 Ministry of Social Affairs (2020) Analüüs: iga teine 17-aastane noor on saanud töökogemuse <https://somblogi.wordpress.com/2020/06/30/analuus-iga-teine-17-aastane-noor-on-saanud-tookogemuse/>

51 Ibid.

52 Eurostat (2020) Gender pay gap statistics https://ec.europa.eu/eurostat/statistics-explained/index.php/Gender_pay_gap_statistics

53 Estonian Parliament (RT I 2004, 27, 181) Gender Equality Act <https://www.riigiteataja.ee/en/eli/530102013038/consolide>

54 OECD (2020) Employment : Share of employed in part-time employment, by sex and age group <https://stats.oecd.org/index.aspx?queryid=54746>

55 Ministry of Social Affairs, Government Office (2017) Reducing the burden of care in Estonia https://www.riigikantselei.ee/sites/default/files/content-editors/Failid/hoolduskoormus/estonia_ltc_report_final.pdf

56 OECD (2020) Employment : Enrolment rates in pre-primary education or primary school, children aged 3 to 5 year old <https://stats.oecd.org/index.aspx?queryid=54761>

57 Eesti.ee (2020) Parental leave <https://www.eesti.ee/en/family/pregnancy-and-early-childhood/parental-leave/>

SOCIAL PROTECTION AND INCLUSION

SOCIAL PROTECTION AND HEALTHCARE

As anticipated, the rate of people living at risk of poverty or social exclusion in Estonia (24.4%) was higher than the EU average (21.9%) in 2018. The situation is characterised by great disparities at the regional level, especially for the elderly. This last group has a high activity rate, in response to their need to increase their income and ability to save.⁵⁸ The rise in pensions in 2020 represents an improvement in this respect, but the reform of the second pillar of the pension system is alarming, according to the NSG. It would expose the elderly to the risk of poverty even more. On the other hand, Estonia's performance with regard to material deprivation and child poverty in 2018 was better than the EU average. In particular, thanks to an increase in child benefits, child poverty decreased by 3.4 percentage points between 2016 and 2018. Moreover, by the end of 2020 benefits for children with disabilities will increase two- to threefold.⁵⁹ The in-work poverty rate has been volatile in recent years. In 2017 it was in line with the EU average,⁶⁰ but it increased in 2019, reaching 10.3%, 1 percentage point higher than the estimated EU average.⁶¹ The self-employed are more at risk of in-work poverty in Estonia, as they are in the rest of the EU. However, it should be noted that the percentage of self-employed workers

affected by in-work poverty decreased by more than 10 points from 2015 to 2017.⁶² The policies in place to combat poverty are considered by the National Strategy Group to be adequate in their focus, which is primarily on housing and family allowances. Family benefits had the greatest effects in reducing poverty in 2018. Nonetheless, overall social benefits in Estonia are less effective than in the rest of the EU at reducing the incidence of poverty, and the increase in incomes outperformed the increase of benefits in Estonia. Consequently, a rise in unemployment benefits could represent an effective welfare measure.⁶³ Overall, it is important to note that public expenditure on social protection is among the lowest in the European Union. It accounted for around 13% of GDP in 2018, while the EU average was almost 20%.⁶⁴

Estonia's public expenditure for healthcare is among the lowest in the EU and the rate of self-reported unmet need for medical care is among the highest. This last indicator increased to 16.4% in 2018, compared to the Union average of 1.8%. This situation has led to high out-of-pocket payments: in 2017, 23.6% of people had to pay medical bills out of pocket, almost 8 percentage points more than the EU average.⁶⁵ In line with this data, the National Strategy Group reports that dental care is covered only to a very limited extent by health

58 European Commission (2020) Country Report Estonia 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0505&from=EN>

59 European Commission (2020) Country Report Estonia 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0505&from=EN>

60 European Social Policy Network (2019) ESPN Thematic Report on In-work poverty – Estonia file:///C:/Users/martina/AppData/Local/Temp/3/ESPN_EE_TR1_2018-19%20on%20in-work%20poverty_final.pdf

61 Eurostat (2020) In-work at-risk-of-poverty rate <https://ec.europa.eu/eurostat/databrowser/view/tespm070/default/table?lang=en>
62 European Social Policy Network (2019) ESPN Thematic Report on In-work poverty – Estonia file:///C:/Users/martina/AppData/Local/Temp/3/ESPN_EE_TR1_2018-19%20on%20in-work%20poverty_final.pdf

63 European Commission (2020) Country Report Estonia 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0505&from=EN>

64 Eurostat (2020) Government expenditure on social protection https://ec.europa.eu/eurostat/statistics-explained/index.php/Government_expenditure_on_social_protection

65 European Commission (2020) Country Report Estonia 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0505&from=EN>

insurance. Furthermore, the lack of public expenditure on healthcare resulted in no updates to the system in recent years, so it is not always in a position to respond to people's needs. The high rate of out-of-pocket payments has also led to significant income-based inequalities across the country. This situation is even more alarming, considering that health conditions and health risk in Estonia depend in large part on socio-economic conditions.

If it is true that Estonian health insurance covers a wide range of services, as pointed out by the NSG, it is also important to mention that only 94% of people living in Estonia are covered by health insurance. This situation pushes people who are not insured to access the healthcare system through emergency care.⁶⁶ Another factor that pushes people to abuse emergency care services is that specialised medical care does not cover people's needs, for example due to very long waiting lists. As the National Strategy Group underlines, the current system is not sustainable, and its sustainability will be further undermined by the aging of the population and the increase in medical costs. In light of the situation described so far, there is a great need for more-consistent public investment in the sector. One of the most acute problems of the Estonian healthcare system is the lack of medical workers, especially nurses, which mainly affects rural areas. To tackle this issue and thus increase the accessibility of healthcare services in Estonia, a cooperation agreement has been signed. The aim of the agreement is to ensure that everyone in Estonia is registered with a family doctor, to improve the quality of medical care and to improve communication in rural areas.⁶⁷ The NSG considers this measure a positive development.

Immigrants can access healthcare services under the same conditions as Estonians. However, the National Strategy Group identifies linguistic barriers as a possible obstacle to healthcare accessibility for foreigners. In fact, medical professionals are not required by law to offer services in another language. Nonetheless, it should be noted that the state has funds to cover translation services for asylum seekers and immigrants with international protection.

HOUSING

Most of the Estonian housing stock was built during the Soviet era. The peak period was between 1960 and 1990. Therefore, many dwellings are now old and need to be renovated. It is important to note that 13% of houses in Estonia do not have basic amenities, such as a single-household flushing toilet and modern washing facilities such as a shower or bath.⁶⁸ This figure is confirmed by the OECD Better Life Index report on Estonia, according to which only 93% of dwellings contain private access to an indoor flushing toilet. This is one of the lowest rates in the OECD; the average is 95.6%.⁶⁹ The situation is particularly critical in rural areas. Furthermore, the average Estonian home contains 1.6 rooms per person, slightly less than the OECD average of 1.8.⁷⁰ Overall, the NSG reports that, while the living conditions of wealthy and middle-class Estonians can be considered very good, the living conditions of people with lower incomes are only satisfactory. In addition, around half of Estonian residents live in dwellings that are either in very poor condition or have deficiencies and need to be modernised, according to their inhabitants.⁷¹

66 Ibid.

67 Ministry of Social affairs (2018) Koostöölepe: perearstiabi kättesaadavus kõigis Eesti piirkondades on riiklik prioriteet <https://www.sm.ee/et/uudised/koostoelepe-perearstiabi-kattesaadavus-koigis-estoni-piirkondades-riiklik-prioriteet>

68 Inimareng (2020) Estonian Human Development Report 2019/2020 <https://inimareng.ee/>

69 OECD Better Life Index (2018) Estonia <http://www.oecdbetterlifeindex.org/countries/estonia/>

70 Ibid.

71 Inimareng (2020) Estonian Human Development Report 2019/2020 <https://inimareng.ee/>

Some social support measures are in place to help people with housing expenses, such as the social benefit, which covers part of the recipient's housing costs. Nevertheless, the number of recipients has drastically fallen over the years, according to the NSG. A series of other measures is in place to support people in the renovation of their dwellings, which should also improve their energy efficiency and reduce their environmental impact.⁷² In 2018, housing development investment support was introduced for local governments with the aim of establishing a rental housing stock in certain areas. The National Strategy Group considers this measure positive, especially with a view to reducing regional disparities.

JUST TRANSITION TO A GREEN ECONOMY

Despite Estonian residents being aware of the importance of environmental sustainability,⁷³ government actions are insufficient. Estonia is one of the most carbon- and energy-intensive economies in the EU, and its per-capita CO₂ emissions amounted to nearly twice the EU average in 2017.⁷⁴ This situation is in great part due to the prominent role played by the shale oil sector in the production of electricity. Residential buildings account for 33% of final energy consumption, while transport accounts

for 24%. Both forms of energy consumption have increased in recent years. In 2017, the Riigikogu, the Estonian Parliament, approved the national low-carbon strategy, the General Principles of Climate Policy until 2050. The objective of the plan is indeed to reduce greenhouse gas emissions in the country. This targets an 80% reduction in the emission of these gases by 2050 with respect to 1990 emissions. To do so, Estonia wants to focus on the industrial and transport sectors and to invest in new technologies.⁷⁵ However, as highlighted above, the current efforts are considered inadequate by the European Commission. Its Country Report Estonia 2020 concludes that the lack of adequate effort to reduce pollution is likely to prevent Estonia from reaching its national greenhouse gas emission target for 2030.⁷⁶

The National Strategy Group urges the Estonian government to improve its waste-management and waste-sorting systems. The current waste collection system is based on the polluter-pays principle, so the party responsible for creating waste is also responsible for paying for its collection. Although waste collection prices are fairly low, the NSG stresses the need for prices to respect the so-called waste hierarchy established by the European Union (Directive 2008/98/EC) in order to encourage recycling as much as possible.⁷⁷

72 Ministry of Economic Affairs and Communications (2015) Housing <https://www.mkm.ee/en/objectives-activities/construction-and-housing-sector/housing#support-measure-for-reconstruction-of-apartment-buildings2>

73 Center of Environmental Research, Ministry of the Environment, Tallin University (2018) Eesti elanike keskkonnateadlikkuse uuring https://www.envir.ee/sites/default/files/2018_keskkonnateadlikkuse_uuring.pdf

74 European Commission (2020) Country Report Estonia 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0505&from=EN>

75 Ministry of the Environment (2018) General Principles of Climate Policy <https://www.envir.ee/en/news-goals-activities/climate/general-principles-climate-policy>

76 European Commission (2020) Country Report Estonia 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0505&from=EN>

77 Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32008L0098>

CIVIC SPACE

The Estonian constitution guarantees freedom of assembly and of association, and the National Strategy Group does not highlight any particular issue in this regard in recent years. The 2020 edition of the CIVICUS Monitor tracking civic space classifies Estonia's civic space as open.⁷⁸ In July 2020, the government approved the Civil Society Program 2021-2024, which aims to foster civil society and increase its influence.⁷⁹ Following the 2019 parliamentary elections, various civic movements arose, such as 'My Estonia Too', 'Yes to Freedom, No to Lies' and 'Mornings at Stenbock'. These organised protests against the new populist government. Recently, climate-related protests have attracted more attention, especially weekly climate strikes organized by young people in various towns and cities as part of the movement 'Fridays for the Future'.

With regard to civic space, the NSG also reports that the Conservative People's Party of Estonia (EKRE), creates anxiety among human rights NGOs. Some party members have stated that NGOs should no longer be funded. In autumn 2019, this discussion gained new momentum, likely as a result of a coordinated campaign that was also supported by ministers from the coalition party Pro Patria.⁸⁰ Freedom of expression has also been facing some challenges in Estonia recently. Martin Helme, a member of parliament and deputy chair of EKRE, in March 2019 accused the public broadcaster ERR of

unbalanced reporting and requested that journalists who "demonstrate bias in their coverage, should be taken off air," CIVICUS reports. As a consequence of this political climate, several journalists quit their jobs.⁸¹ In addition to these events, it is worth mentioning that in June 2019 the Minister of the Interior proposed partially privatising ERR in order to save money.⁸² It is therefore not surprising that Estonia lost three places on the 2020 World Press Freedom Index, dropping to the 14th in the ranking.⁸³

SOCIAL DIALOGUE

The framework for social dialogue in Estonia is defined by the Good Practice of Engagement elaborated in 2017. This document stipulates that government authorities should involve interest groups and the public in the decision-making process, in order to increase its legitimacy. At the moment, public engagement is activated when a legal act is being prepared for adoption or a decision is being made at the level of the Riigikogu, the Government of the Republic or ministers.⁸⁴ Nevertheless, the National Strategy Group points out that the dialogue between public institutions and civic society is very often merely formal and limited to proposed legislation. Besides, the complexity of the subjects discussed represents a further obstacle to collaboration with CSOs. Social dialogue in the realm of labour is scarce

78 CIVICUS (2020) Monitor tracking civic space <https://monitor.civicus.org/country/estonia/>

79 Ministry of the Interior (2020) Kodanikuühiskonna programm 2021-2024 <https://www.siseministeerium.ee/et/tegevusvaldkonnad/kodanikuuhiskond/kodar>

80 Estonian Human Rights Centre (2020) Freedom of assembly and association <https://humanrights.ee/en/materials/inimoigused-eestis-2020/kogunemis-ja-uhinemisvabadus/>

81 CIVICUS (2019) Right-wing coalition members threaten media independence and freedom of expression <https://monitor.civicus.org/updates/2019/06/18/Right-wing-coalition-members-threaten-media-independence-and-freedom-of-expression/>

82 Estonian Human Rights Centre (2020) Freedom of expression <https://humanrights.ee/en/materials/inimoigused-eestis-2020/sonavabadus/>

83 Reporters without Borders (2020) 2020 World Press Freedom Index <https://rsf.org/en/ranking/2020>

84 Government Office (2017) Good Practice of Engagement <https://www.riigikantselei.ee/en/good-practice-engagement>

in Estonia, as the participation of workers in trade unions is low and has decreased in recent years.⁸⁵ As a result, the NSG specifies that collective agreements apply only to the healthcare and transport sectors.

In the view of SOLIDAR's National Strategy Group for Estonia, social dialogue should have clearer and more-concrete objectives. In addition, solutions need to be found to improve

civil society actors' understanding of the subjects discussed at governmental level, so that they can participate more actively in the dialogue. The NSG proposes to add an "informative" preliminary phase to social dialogue, with the aim of ensuring that it is carried out on the basis of a shared understanding of the issues discussed, thus decreasing the information asymmetry that currently affects Estonian social dialogue.

COMPARISON WITH THE COUNTRY SPECIFIC RECOMMENDATIONS

The European Commission's 2020 Country Specific Recommendations for Estonia are in many respects in line with what emerged from the Social Rights Monitor. In fact, the Commission highlights the need for a more accessible and resilient healthcare system, which is particularly urgent in the light of the current global health situation. Also, it identifies the inadequacy of the social safety net as a major issue for Estonia. This is corroborated by the NSG, which laments a lack of funding. In this respect, the European Commission draws the Estonian government's attention to the need

for more-adequate unemployment benefits, particularly in consideration of the socio-economic consequences of the Covid-19 emergency. The recommendations also focus on the importance of a green transition, with particular regard to the energy and transport sectors. However, unlike the NSG, the Commission does not make any recommendations linked to the recent pensions reform and the subsequent risk of poverty for the elderly. Moreover, no space is given to gender equality and Estonia's alarming gender pay gap.

85 Ministry of Social Affairs (2017) Eesti tööelu-uuring 2015 https://www.sm.ee/sites/default/files/content-editors/Ministeerium_kontaktid/Uuringu_ja_analuusid/eesti_toelu_uuring_2015.pdf



solidar

**TOGETHER FOR
SOCIAL EUROPE**

COUNTRY MONITOR: FRANCE



For France, as for most other European countries, economic, social and political life in 2020 was deeply impacted by the Covid-19 pandemic and the subsequent restriction measures put in place. Between March and November 2020, the country was amongst the most affected in Europe, both in number of cases and in number of deaths.¹ According to the European Commission's forecast, GDP growth is likely to shrink by 9.5% in 2020 compared to 2019,² especially as France's key export sectors (tourism and aircraft) were severely affected. Though the government stepped in with support measures such as increased financing of the partial activity scheme, the socioeconomic and employment consequences are expected to be dire, with unemployment going over 10% again, back to 2016 levels. This grim figure hides an even grimmer reality: some groups are disproportionately affected

by the crisis, as pointed out by our National Strategy Group (NSG) led by CEMEA and La Ligue. Young people, while less likely to suffer from acute Covid-19 symptoms, are particularly exposed to job precariousness and poverty stemming from the crisis. Youth unemployment was highlighted as the most pressing social issue of 2020 by the NSG. Other NSG concerns include the lack of inclusion of migrants, refugees and asylum-seekers; the progressive rise in poverty and inequalities combined with the inadequacy of the public policies supposed to tackle it; increasing employment precariousness; and disparities in access to healthcare. Lastly, a major topic in France's civic space, also underlined by the NSG, is the recurring curtailment to freedom of the press and freedom of peaceful assembly, together with a perceivable shift towards a police state.

1 European Center for Disease Prevention and Control (2020). COVID-19 situation update worldwide: <https://www.ecdc.europa.eu/en/geographical-distribution-2019-ncov-cases>

2 European Commission (2020). Autumn 2020 Economic Forecast – France - https://ec.europa.eu/economy_finance/forecasts/2020/autumn/ecfin_forecast_autumn_2020_fr_en.pdf

	2018	2019	EU-28 2019
Gini index ³	28.5	29.2	30.1
Unemployment ⁴	8.7% (mainland) 9.0% (incl. overseas territories)	8.2% (mainland) 8.5% (incl. overseas territories)	6.3%
Gender Equality Index ⁵	74.6 (2019)	75.1 (2020)	67.9 (2020)
In-work poverty ⁶	7.1%	7.4%	9.2%
Housing Overcrowding ⁷	8.2%	7.7%	15.6%
CIVICUS Civic Space Monitor ⁸		NARROWED	N/A

Selected indicators on the state of social rights

EQUAL OPPORTUNITIES AND ACCESS TO THE LABOUR MARKET

SUPPORT TO EMPLOYMENT

Unemployment in France has been on a downward trend since 2016, but at 8.5% in 2019 it remained above the EU average of 6.3%. The figures for 2020 are not yet available, but as of November 2020, the picture is looking rather gloomy. The unemployment insurance body (UNEDIC) already foresees a massive degradation of employment in 2020 due to the pandemic, with an expected 900,000 extra fully or partially unemployed people over the year.⁹ While the first and second quarters of 2020 seem to show a continued decrease in the unemployment rate, the National Institute for Statistics (INSEE) explains that this has more to do with the lockdown affecting

job search behaviour and jobseekers moving from one category to another than with an actual rise in employment.¹⁰ In the third quarter though, unemployment rose again by 1.9 percentage points to 9.0%,¹¹ and the European Commission's forecast for the whole of 2020 was 10.1%, bringing unemployment to levels comparable to those of 2016.¹² In order to support the economy and jobs during the crisis, the government resorted to a structural transformation of the partial activity scheme. Traditionally, any business confronted with a lasting contraction in its activities can reduce the volume of hours its employees work and get financial compensation for the hours not worked. Since March 2020, the state has stepped up its contribution to such

3 Eurostat (2020). Gini coefficient of equivalised disposable income: http://appsso.eurostat.ec.europa.eu/nui/show.do?lang=en&dataset=ilc_di12

4 Eurostat (2020). Unemployment by sex and age: annual data: https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_rt_a&lang=en

5 European Institute for Gender Equality (2020). Gender Equality Index: <https://eige.europa.eu/gender-equality-index/2020/country/FR>

6 Eurostat (2020). In-work at-risk-of-poverty-rate: <https://ec.europa.eu/eurostat/databrowser/view/tespm070/default/table?lang=en>

7 Eurostat (2020). Overcrowding rate by age, sex and poverty status – total population: https://ec.europa.eu/eurostat/databrowser/view/ilc_lvho05a/default/table?lang=en

8 CIVICUS Civic Space Monitor – France: <https://monitor.civicus.org/country/france/>

9 UNEDIC (2020). L'Assurance chômage, un soutien majeur face à la crise du Covid-19 <https://www.unedic.org/espace-presse/actualites/assurance-chomage-un-soutien-majeur-face-la-crise-du-covid-19>

10 National Institute of Statistics and Economic Studies (2020). Au deuxième trimestre 2020, un marché du travail sous l'influence du confinement <https://www.insee.fr/fr/statistiques/4641598>

11 National Institute of Statistics and Economic Studies (2020). Au troisième trimestre 2020, le taux de chômage rebondit fortement et atteint 9,0 % <https://www.insee.fr/fr/statistiques/4930129>

12 European Commission (2020). Country Specific Recommendations: France <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020DC0510&from=EN>

compensation. In return, the business has to commit to maintaining jobs. In practice, for the hours not worked, employees see their salaries reduced to 70% of their gross wage, or 84% of their net wage, but retain their jobs.¹³

As part of the 2019 unemployment insurance reform, a measure was voted that foresees the modulation of companies' rate of contribution to unemployment insurance. In the seven sectors of the economy with the highest turnover rates, a bonus-malus scheme is in place. Starting from 2020, companies in these sectors are incited to offer more permanent contracts and longer fixed-term contracts; otherwise they will be subjected to higher contributions to unemployment insurance.¹⁴ In addition, a subsidized employment experiment was generalised at the national scale in 2020: the "free jobs" scheme provides financial aid for employers recruiting candidates residing in urban areas flagged as priority in France's urban policy.

EQUAL OPPORTUNITIES IN THE LABOUR MARKET

There are great disparities in access to the labour market in France. The NSG is particularly concerned about youth unemployment, which was 19.6% in 2019. Though this has been declining continuously since 2013, it is still among the highest in the EU.¹⁵ The COVID pandemic is likely to aggravate the situation, once the emergency measure such as the funding of partial

employment are over, the NSG points out. INSEE notes territorial inequalities, with northern France, south-eastern France and the area north-east of Paris having higher unemployment rates.¹⁶ One group particularly exposed to unemployment is immigrants. In 2017, 16.3% of immigrants were unemployed, whereas only 8.6% of people born in France were. The rate is even higher for people born outside the EU (19.3%). Differences in educational level can account for part of this inequality, but it is not the only factor, as there are also inequalities in employment rates within groups having the same level of educational diploma. For instance, 11.4% of immigrants with a degree or higher university title were unemployed in 2016, against only 5.0% of French-born people with that level of education.¹⁷ In the most deprived areas, which are also areas with populations from a migrant background, the unemployment rate reached a striking 24.7% in 2017.¹⁸

EDUCATION AND YOUTH UNEMPLOYMENT

France's rate of young people (20-34) neither in employment, education or training (NEETs) is on a par with the EU average, at 14.0% in 2019. This figure hides a gap between men and women: 12.2% of young men in France are unemployed, against 15.8% of young women.¹⁹ As in the rest of the EU, the figures have gone down after peaking at the height of the economic crisis in 2012 but remain worrying. In an attempt to remedy the problem, the

13 Ministère de l'Economie, des Finances et de la Relance (2020). Activité Partielle de Longue Durée (APLD) : <https://www.economie.gouv.fr/plan-de-relance/profils/entreprises/activite-partielle-longue-duree-apld>

14 Ministère du Travail, de l'Emploi et de l'Insertion (2019). Droit du travail, emploi, formation... | Ce qui change au 1er janvier 2020 <https://travail-emploi.gouv.fr/actualites/l-actualite-du-ministere/article/droit-du-travail-emploi-formation-ce-qui-change-au-1er-janvier-2020>

15 Eurostat (2020). Unemployment by sex and age <https://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

16 National Institute of Statistics and Economic Studies (2020). Taux de chômage localisés au 2^e trimestre 2020 <https://www.insee.fr/fr/statistiques/2012804>

17 Observatoire des Inégalités (2019). Chômage des immigrés : le poids des inégalités sociales et des discriminations https://www.inegalites.fr/Chomage-des-immigres-le-poids-des-inegalites-sociales-et-des-discriminations?id_theme=24

18 European Commission (2019). Country Specific Recommendations : France <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52019DC0510&from=EN>

19 Eurostat (2020). Young people neither in employment nor in education and training by sex, age and labour status (NEET rates): https://ec.europa.eu/eurostat/databrowser/view/EDAT_LFSE_20__custom_231588/default/table?lang=en

French parliament voted an education reform that introduced, amongst other measures, compulsory education until 18 years old instead of 16 as before.²⁰ In parallel, the skills investment plan 2018-2022, was endowed with a budget of EUR 15 billion over five years for training the two million least-qualified young people, with the objective of enabling them to find a job. Several reforms to the education and skills sector have been introduced in the past two years, but their impact is still difficult to assess. In this regard, our NSG co-leader La Ligue highlights that the French education system traditionally struggles to take into account the different abilities of pupils. Vocational education currently functions as an option for students who can't keep up with the general education programme. La Ligue calls for the development of apprenticeships as a solution to youth unemployment, provided that this is not organized simply as a response to academic failure in the general system but as a valued alternative responding to skills demand in the labour market.

According to the Programme for International Student Assessment (PISA), developed by the OECD, the academic results of youths of 15 years of age in France are above the EU average. However, in its country report 2020 for France, the Commission underlines the persistence of socio-economic inequalities in the French educational system. The correlation between the socio-economic status of pupils and their educational results is amongst the highest in the EU. Similarly, having a migration background negatively impacts performances.²¹ A number of reforms were introduced in 2019 to address these issues, such as lowering

the compulsory age to start education to three and splitting certain classes in disadvantaged primary schools in two, so that students are in smaller classes.²² France has reached the Europe 2020 objectives for reducing the rate at which students drop out and increasing the rate of higher-education graduates.²³

INCLUSION OF MIGRANTS

France's most recent piece of legislation on migration was the 2018 Law on asylum and immigration. The objective was threefold – reducing delays in the processing of asylum applications, strengthening the fight against illegal migration, and improving the reception of foreigners allowed to remain in France. This law has been widely criticized by civil society organisations (CSOs), human rights defenders and the ombudsman,²⁴ for making it harder for undocumented migrants to enter France and to stay once they have already arrived. The law thus gives the impression that France only makes an effort to welcome high-skilled migrants, and the text fails to propose any measure to regularise undocumented migrant workers.

GENDER INEQUALITIES

According to the European Institute for Gender Equality (EIGE), France has made swift progress in gender equality since 2010 compared to the EU average. In 2020, the country ranked third in the Gender Equality Index, with a 7.2 percentage point increase since 2010.²⁵ Some legislative developments in recent years may be able to explain this improvement.

20 Service-public.fr (2020). L'obligation de formation des jeunes est portée de 16 à 18 ans: <https://www.service-public.fr/particuliers/actualites/A14217#:~:text=%C3%80%20partir%20de%201a%20rentr%C3%A9e,l%C3%A2ge%20de%2018%20ans>

21 European Commission (2020). Country Report France: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0509&from=EN>

22 SOLIDAR (2019). Social Rights Monitor 2019 – France: https://www.solidar.org/system/downloads/attachments/000/001/007/original/SRM19_-_France.pdf?1573662929

23 European Commission (2020). Country Report France: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0509&from=EN>

24 Mediapart (2018). Le Défenseur des droits dénonce de nouveau la loi Asile et immigration <https://www.mediapart.fr/journal/france/240618/le-defenseur-des-droits-denonce-de-nouveau-la-loi-asile-et-immigration?onglet=full>

25 EIGE (2020). Gender Equality Index 2020 country factsheets: France https://eige.europa.eu/sites/default/files/documents/20203342_mhag20008enn_002.pdf

GOOD PRACTICE

GENDER EQUALITY INDEX IN BUSINESSES WITH MORE THAN 50 EMPLOYEES

In 2018, the Law on ‘freedom to choose one’s professional future’ included provisions to reduce the gender pay gap. The law made it mandatory for all employers of 250 employees and above to publish an annual “Gender Equality Index”. This is a self-assessment to measure how well a company is doing regarding equal pay, and it is based on a set of five precise indicators: i) wage gaps between women and men in comparable positions and levels of career advancement; ii) gaps in the distribution of salary increases; iii) gaps in the distribution of promotions; iv) the proportion of female employees back from maternity leave that benefit from pay increases awarded in their absence; and v) the presence of at least four women or men in the 10 highest-paying positions. Depending on the value of the index, the employer may have to implement corrective measures or else face a financial penalty.²⁶ Since 2020, this law has applied to all employers with more than 50 employees.

A law aiming to improve gender equality in the labour market had its field of application extended in January 2020. Since then, all companies with more than 250 employees must have at least 40% of places on their board of directors and supervisory boards filled by women. Previously, this obligation only

applied to companies with more than 500 employees.

Other measures were introduced this year. In May, the decree n° 2020-529 established the retention of career advancement rights for civil servants taking parental leave or suspending their professional activity in order to raise a child. This applies to a suspension period of up to five years across the whole of a civil-service career.²⁷ As of July 2021, the duration of paternity leave (including three days of birth leave) will be extended from 14 to 28 days.²⁸ These two measures will hopefully not only alleviate the career penalties faced for choosing to raise a child full-time (a choice overwhelmingly made by women), but also allow a more-equal sharing of parental duties.

JOB PRECARIOUSNESS AND IN-WORK POVERTY

According to a study published by Eurofound, France has a high rate of non-standard employment, coupled with low transition rates towards standard forms of employment. This means a significant number of employees are trapped between temporary contracts and periods of unemployment, unable to find a permanent contract.²⁹

France has a relatively low level of in-work at-risk-of-poverty (IW AROPE): 7.1% in 2018.³⁰ The European Social Policy Network attributes this to employment legislation and the importance of social benefits. With the guaranteed minimum wage, the various regulations of

26 Ministère du Travail, de l’Emploi et de l’Insertion (2019) : Index de l’égalité professionnelle : calcul et questions/réponses <https://travail-emploi.gouv.fr/droit-du-travail/egalite-professionnelle-discrimination-et-harcelement/index-egalite-professionnelle-femmes-hommes>

27 CGT – Union Fédérale des Syndicats de l’Etat (2020). Congé parental et disponibilité de droit : décret du 5 mai 2020 <https://ufsecgt.fr/spip.php?article7742>

28 S. Cordier (2020). La durée du congé paternité en France va doubler, passant à vingt-huit jours, Le Monde https://www.lemonde.fr/societe/article/2020/09/22/la-duree-du-conge-paternite-en-france-va-etre-doublee_6053210_3224.html

29 Eurofound (2019), Labour market segmentation: Piloting new empirical and policy analyses, Publications Office of the European Union, Luxembourg: https://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef19033en.pdf

30 Eurostat (2020). In-work at-risk-of-poverty rate: <https://ec.europa.eu/eurostat/databrowser/view/tespm070/default/table?lang=en>

part-time work and short-term contracts, the possibility of combining work income with some social benefits, and the redistributive effects of family, fiscal and housing policies, being employed in France generally allows people to make ends meet. Still, the ESPN's report underscores the need to maintain attention on IW AROPE in France: i) the rate of IW AROPE is still higher than in several other countries, such as Belgium, the Netherlands and Finland; ii) it still represents around 2 million people at risk of poverty, which is a threat to social cohesion; and iii) specific groups of the population are particularly affected – those groups that are also the poorest in general in France: the self-employed, non-French workers, young workers and households with low work intensity

and dependent children (typically single-parent families).³¹ These findings echo concerns of the NSG, which reports a phenomenon of “bad employment”, arguing that the published unemployment rate does not reflect precarious employment. The Observatoire des Inégalités (Inequalities Watch) suggests, instead of just looking at the unemployment figures, also considering precarious workers (those on short-term contracts) and people who are working part time only because they cannot find a full-time position. It found that 26% of the active population, about 7 million people, while employed, are in some form of “bad employment” – and that's without even taking into account some groups of “self-employed” workers such as platform workers.³²

31 M. Legros (2019). ESPN Thematic Report on In-work poverty – France, European, Social Policy Network (ESPN), Brussels: European Commission.

32 A. Durand (2019). Précarité, travail contraint, espérance de vie... zoom sur six inégalités insidieuses, Le Monde, https://www.lemonde.fr/les-decodeurs/article/2019/06/04/precarite-travail-constraint-espérance-de-vie-médiatisation-zoom-sur-six-inegalites-insidieuses_5471416_4355770.html

INEQUALITIES AND TAXATION

INCOME INEQUALITIES

Over the past 20 years, France's GINI index has been generally stagnating slightly below 30, after reaching an all-time low just before the 2008 crisis, of 26.6 in 2007. Although inequalities seem to have stabilized, at least before the Covid crisis hit, France performs only average-ly compared to other EU countries.³³ According to a study published by Eurofound, France, like Germany and Spain, has persisting significant income differences between employees in different labour market segments, even after taxes and transfers by the state.³⁴

FAIR TAXATION

Tax reforms in France in recent years have been mostly neoliberal in nature. One of the staunchest demands of the gilets jaunes movement has been the reinstatement of the wealth tax. In 2018, President Macron replaced it with a “real-estate wealth tax”, thus exempting securities and investment wealth from the tax.³⁵ The abolition of the wealth tax stirred harsh criticism from the left, which called it a present to the rich. A more recent development was the introduction in 2019 of the withholding tax, which aimed to make taxation smoother.³⁶

HOUSING TAX

The second-to-last phase of the housing tax reform, voted in 2017, was introduced in 2020. This tax is calculated based on a set of criteria which include a household's composition and total income. It finances local services such as

schools, social services, sports facilities, infrastructure and facilities related to water, sanitation and hygiene. With the reform, the tax is set to gradually disappear for all households' main residence by 2023, and as of 2020 the lowest-earning 80% of households are already exempt. Though the state assured the regional and municipal authorities that it would compensate their revenue losses, it will do so out of its own budget, which is mainly derived from collection of VAT – a tax that weights heavier on low-income households. The newspaper *Le Monde* calculated that the lowest-earning 80% of households will save an average of EUR 555 per year, while the richest 20% will enjoy a EUR 1,158 saving.³⁷ The measure, which was framed as a gesture to increase the purchasing power of low- and middle-income households, in the end looks like a present to the rich.

DIGITAL TAX

After a suggestion by the treasuries of France and Germany, the European Commission in March 2018 unveiled a proposal for fairer taxation of digital giants. The project foresaw a tax of 3% of turnover coming from certain digital activities, such as the sale of advertising space for targeted advertisements, instead of taxing only profit. Following disagreements between the 27 EU member states and hostility from the US, the proposal fell through and was deferred to the OECD, still without success so far. However, France didn't give up on the idea and unilaterally voted its own tax in July 2019.³⁸ In October, the French minister for economic affairs announced a plan to start collecting the tax in December.³⁹

33 Eurostat (2020). Gini coefficient of equivalised disposable income: http://appsso.eurostat.ec.europa.eu/nui/show.do?lang=en&dataset=ilc_di12

34 Eurofound (2019), Labour market segmentation: Piloting new empirical and policy analyses, Publications Office of the European Union, Luxembourg: https://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef19033en.pdf

35 V. Mazuir (2019). IFI, le nouvel ISF version Macron, *Les Echos*: <https://www.lesechos.fr/economie-france/budget-fiscalite/ifi-le-nouvel-isf-version-macron-130072>

36 V. Mazuir (2020). Impôts: la réforme du prélèvement à la source, *Les Echos*: <https://www.lesechos.fr/economie-france/budget-fiscalite/impots-la-reforme-du-prelevement-a-la-source-141580>

37 A. Sénécat, M. Ferrer (2019). La suppression de la taxe d'habitation rapportera près de 8 milliards aux plus riches (*Le Monde*) https://www.lemonde.fr/les-decodeurs/article/2019/06/20/la-suppression-de-la-taxe-d-habitation-une-mesure-qui-profitera-finalemment-aux-plus-riches_5479189_4355770.html

38 B. Gaillard (2020). Qu'est-ce que la taxe Gafa? Toute l'Europe: <https://www.touteleurope.eu/actualite/qu-est-ce-que-la-taxe-gafa.html>

39 B. Smith-Mayer, E. Braun (2020). France reinstates digital tax, courting trade war, *Politico.eu*: <https://www.politico.eu/article/france-reinstates-digital-tax-courting-trade-war/>

SOCIAL PROTECTION AND INCLUSION

POVERTY AND LIVING CONDITIONS

France's social protection system is known to be among the most effective in Europe at mitigating the risk of poverty and social exclusion, the rate of which was 17.9% in 2019, below that of most EU countries.⁴⁰ However, as the European Commission's 2020 country report highlights, France has not reached its poverty-reduction objectives in the Europe 2020 Strategy. Furthermore, the NSG fears that the Covid pandemic and its ensuing economic and social consequences might considerably increase the number of people at risk of poverty. The UNEDIC forecast is that by the end of 2020, an additional 900,000 people will have become partially or fully unemployed – and that is only counting those entitled to some unemployment benefits.⁴¹ Given that unemployment benefits are a form of compensation but do not allow a person to maintain decent living conditions in the medium to long term, this represents a huge number of people potentially pushed into poverty. In line with many other voices from civil society and intermediate bodies such as the Economic, Social and Environmental Council, CEMEA calls for an extension of social minima benefits to include people under 25 years of age, as they were hit hardest by both the 2008 and the Covid-19 crises, but they still are a blind spot for the system of social protection.⁴² ⁴³ Beyond the crises, CEMEA regrets that the general approach to addressing poverty is to offer compensation with social benefits, instead of tackling its root causes.

UNEMPLOYMENT AND PENSION REFORMS

A number of social protection reforms have been passed in recent years, often with the explicit objective of aligning the systems and making them more egalitarian combined with an implicit objective of cutting spending. From a social-protection point of view, the two biggest reforms, those of unemployment insurance and pensions, have essentially harmonized the systems downwards. However, both processes have been either suspended or postponed due to the Covid-19 crisis and fears of new social unrest.

The unemployment insurance reform, which was announced in June 2019 and entered into force in November 2019, was partially suspended. The first component foresaw new, stricter rules of eligibility for unemployment benefits, as well as a decline in benefits after six months of unemployment for monthly gross wages above EUR 4,500. A few positive innovations can be mentioned, such as the extension of the benefit to the self-employed and to employees who resign, under certain conditions. The application of the new conditions was suspended for jobseekers who lost their job between 1 August and 31 December 2020. The second component of the reform, the equally controversial introduction of a new method of calculation of the unemployment allowance, was postponed twice and will enter into application on 1 April 2021 at the earliest.⁴⁴

40 Eurostat (2020). People at risk of poverty or social exclusion : https://ec.europa.eu/eurostat/databrowser/view/t2020_50/default/table?lang=en

41 UNEDIC (2020). L'Assurance chômage, un soutien majeur face à la crise du Covid-19 : <https://www.unedic.org/espace-presse/actualites/assurance-chomage-un-soutien-majeur-face-la-crise-du-covid-19>

42 T. Chevalier (2020). Les jeunes représentent un angle mort de l'Etat-Providence français, Le Monde : https://www.lemonde.fr/idees/article/2020/09/05/les-jeunes-representent-un-angle-mort-de-l-etat-providence-francais_6051065_3232.html

43 L'Obs, AFP (2020). Le Conseil économique, social et environnemental demande l'accès aux minima sociaux pour les 18-25 ans : <https://www.nouvelobs.com/societe/20201202.OBS36919/le-cese-demande-l-acces-aux-minima-sociaux-pour-les-18-25-ans.html>

44 Vie Publique (2020). 7 questions sur la réforme de l'assurance chômage : <https://www.vie-publique.fr/questions-reponses/271537-7-questions-sur-la-reforme-de-l-assurance-chomage>

The pension reform was designed to unify 42 different schemes into a single, points-based system, in which one euro's worth of contribution gives the same pension right to all, regardless of their profession and status. After nationwide protests, the bill was eventually adopted by the Assemblée Nationale – the French lower house – in March 2020. However, the legislative procedure, here too, was then suspended until further notice.

HEALTHCARE

Although the French health system provides good overall access to high-quality care, challenges persist, such as strengthening health prevention and reducing health inequalities.⁴⁵ France's medical density is slightly below EU average, with 3.4 practitioners for 1,000 inhabitants,⁴⁶ but the NSG points out that some areas are particularly deprived of practitioners. Those “medical deserts” are often located in rural areas but also in some poor areas near Paris or in overseas territories.⁴⁷ Furthermore, while only 1% of the population reported unmet medical needs due to cost, distance or waiting time in 2017, some low-income groups and people with a migration background face issues in accessing health care. The universal health insurance does not comprehensively cover certain types of specialized care, such as dental, optical, hearing and mental-health care.⁴⁸ For these, people have to turn to complementary health insurance schemes (mutuelles), provision of which is closely linked to employment conditions. In 2019, an investigation conducted by the ombudsman revealed that 10% of practitioners refused to take appointments

from people on universal basic health coverage (generally the most precarious), which is illegal. Depending on regions and specialisation, the figure sometimes rose to 30%.⁴⁹ Moreover, as stressed by the NSG, access is especially difficult for migrants and refugees. The main reasons for this are unsuitable information on their rights to access healthcare and heavy procedures, which lead people to delay their recourse to healthcare or to not seek it at all. There is often also a language barrier between users and health professionals. In addition, applicants for State Medical Aid (AME), a scheme especially designed for undocumented migrants, need to have stayed in France for three uninterrupted months to be eligible.⁵⁰ According to Doctors Without Borders, a significant number of migrants and asylum seekers do not have any form of health coverage even after a year of residence in France.⁵¹

HOUSING

For some groups of the population, access to affordable housing has been made more difficult in the past few years. A law on new housing that entered into force in 2019 is a particularly compelling example. In an attempt to encourage construction by reducing its costs, the legislation set a requirement for new collective housing that 20% of units have to be accessible – that is, either on the ground floor or served by a lift. The remaining 80% would only need to be “upgradeable” to make them accessible. This undermined an advance achieved in 2005: the principle of universal accessibility of housing, with the objective that 100% of new constructions be accessible to all.⁵²

45 OECD/European Observatory on Health Systems and Policies (2019), France: Country Health Profile 2019, State of Health in the EU, OECD Publishing, Paris/European Observatory on Health Systems and Policies, Brussels.

46 European Commission (2019). Country report France 2019: https://ec.europa.eu/info/sites/info/files/file_import/2019-european-semester-country-report-france_en.pdf

47 Ibid.

48 OECD/European Observatory on Health Systems and Policies (2019), France: Country Health Profile 2019, State of Health in the EU, OECD Publishing, Paris/European Observatory on Health Systems and Policies, Brussels.

49 S. Charbonnier (2019). Santé : quand des médecins refusent des soins aux plus précaires, France Bleu : <https://www.france-bleu.fr/infos/sante-sciences/sante-quand-des-medecins-refusent-des-soins-aux-plus-precaires-1572371374>

50 Service-Public.fr. Qu'est-ce que l'Aide Médicale d'Etat ? <https://www.service-public.fr/particuliers/vosdroits/F3079>

51 Médecins du Monde. Accès aux droits et aux soins des migrants et exilés <https://www.medecinsdumonde.org/fr/pays/france/migrants>

52 A. Durand (2018). Le grand flou des logements « accessibles » aux handicapés, Le Monde : https://www.lemonde.fr/les-decodeurs/article/2018/06/05/le-grand-flou-des-logements-accessibles-aux-handicapes_5309881_4355770.html

More generally, the NSG reports that housing expenses take up a growing share of households' income. Most housing-related expenses have increased continuously since the 1990s, reaching an average of 26.6% of households' total income in 2018.⁵³ A positive long-term trend is the progressive extension of housing allowances to include more groups of tenants, such as students.⁵⁴ Compared to other EU countries, France is also doing well regarding the overburden rate of housing costs: 5.5% of the population live in a household where housing costs take up more than 40% of its revenue (before social transfers).⁵⁵ The progressive elimination of the housing tax, detailed in the "Fair Taxation" section of this monitor, was also branded as a measure to increase the purchasing power of low- and middle-income households. Nevertheless, recent developments have led the NSG to describe France's current housing policy as "catastrophic", especially towards the poorest segments of the population, underlining the negative signals sent out by the reductions in housing allowances in 2017.⁵⁶ One good practice the NSG wishes to highlight is rent control, which has been introduced in big cities such as Paris and Lille.

Although France has a series of laws setting mandatory social-housing supply standards for municipalities,⁵⁷ access to social housing is restricted, as the demand keeps increasing and the supply keeps shrinking. This particularly affects vulnerable units such as single-parent households, which are more at risk of poverty.

GOOD PRACTICE

CITIZENS FOR A JUST TRANSITION

The Citizen's Convention on Climate was set up in 2019 by the Economic, Social and Environmental Committee. The convention selected 150 French citizens randomly and gave them the mandate of "defining together a series of measures that will allow the achievement of a reduction of at least 40% in greenhouse gas emissions by 2030 (compared to 1990) in a spirit of social justice." In June 2020, they issued 149 proposals, of which the government agreed to put 146 before parliament or to a referendum. Three were discarded at once by the president: reducing the speed limit on highways to 110 km/h from 130 km/h, taxing dividends and modifying the constitution's preamble. These rejections raise questions over how far the executive branch is prepared to go and how radical it will allow change to be. Three months later, at the end of September, an additional eight proposals found themselves endangered by contradictory declarations from officials.⁵⁹ Only time will tell if this process actually leads to the meaningful civic involvement it was intended to, or whether it will end up as an exercise in smoke and mirrors. In the meantime, the collective of 150 citizens who elaborated the proposals are tracking the discussion, adoption and implementation of each proposal on their website.⁶⁰

53 INSEE (2019). France, portrait social – Edition 2019 – Dépenses de logement, figure 2 <https://www.insee.fr/fr/statistiques/4238403?sommaire=4238781#consulter>

54 Ibid, figure 3

55 Eurostat (2020). Housing cost overburden rate: <https://ec.europa.eu/eurostat/databrowser/view/tespm140/default/table?lang=en>

56 L'Humanité (2017). APL, la baisse de 5 euros c'est officiel ! <https://www.humanite.fr/apl-la-baisse-de-5-euros-cest-officiel-642839>

57 Ministère de la cohésion des territoires et des relations avec les collectivités territoriales (2019). Loi Solidarité et renouvellement urbain (SRU) : <https://www.cohesion-territoires.gouv.fr/loi-solidarite-et-renouvellement-urbain-sru>

58 Vie-publique.fr (2013). Loi du 18 janvier 2013 relative à la mobilisation du foncier public en faveur du logement et au renforcement des obligations de production de logement social : <https://www.vie-publique.fr/loi/20643-mobilisation-du-foncier-public-en-faveur-du-logement>

59 T. Baietto (2020). Climat : huit propositions de la Convention citoyenne écartées par le gouvernement (malgré la promesse d'Emmanuel Macron), France Info : https://www.francetvinfo.fr/monde/environnement/convention-citoyenne-sur-le-climat/climat-sept-propositions-de-la-convention-citoyenne-ecartees-par-le-gouvernement-malgre-la-promesse-d-emmanuel-macron_4123179.html

60 #SansFiltre Les 150 (2020). Suivi des 149 mesures de la Convention Citoyenne pour le Climat par l'association Les 150 : <https://sansfiltre.les150.fr/>

CIVIC SPACE

FREEDOM OF ASSOCIATION

Freedom of Association is sufficiently respected in France, according to the National Strategy Group. The NSG points out there are several options available for funding, such as the Fonds de Développement de la Vie Associative (FDVA)⁶¹ – the funds for decentralized authorities. Concerning CSOs' capacity to effectively carry out their activities, the NSG does have some reservations. It points out the limited legal resources of CSOs that are not recognised as being of general interest. The CSOs making up SOLIDAR's NSG have also reported increasing disinterest among the younger generation for associations in their traditional and legal sense. Instead, they turn to more-flexible and horizontal structures, such as collectives. Younger activists also prefer activism organised around ad hoc struggles such as specific projects or policies, for example, ZADs (zones à défendre, or zones to defend). In parallel, the NSG notes with regret the old age of association leaders in France, without being able to tell whether the lack of young people is the reason the leaders are old, or whether the age of the leaders is the cause of young people's lack of interest. CSOs' credibility and capacity for action is undoubtedly affected by the age of their members and leaders. The legal framework under which associations operate is also constricted by the state's approach to relations with associations. The NSG reports with regret that calls for projects and partnership agreements create a relationship of "instrumentalization": objectives are defined unilaterally by the state and the CSOs then carry them out. This arrangement accentuates the subsidiarity of state action to the detriment of the independence of associations.

In autumn 2020, several developments have called into question the freedom of associations to exist as independent entities. The Interior Minister declared his ministry would send an administrative dissolution notification to two associations with connections to Islam, saying that they were linked to political radical Islamism.⁶² In November, the government presented a proposal for a bill "reinforcing the principles of the republic". This foresees that any association that receives public funding must commit to respecting the principles and values of the republic; otherwise it will be required to return the funding. Under certain conditions, an association will also be held responsible for actions of its members, a rule that opens the door to all kinds of possible abuse.⁶³

FREEDOM OF PEACEFUL ASSEMBLY

The NSG representatives point out that, while freedom of peaceful assembly is generally respected in France, vigilance is needed, as there have been multiple instances of this freedom being breached in recent years. In 2020, the coronavirus outbreak led to the state of emergency, a special legal framework. On 22 March, the National Assembly adopted a "State of Health Emergency" law, which gave the prime minister the power to declare by decree "general measures setting limits on the freedom of movement, the freedom of enterprise and the freedom to congregate".⁶⁴ As a result, the pandemic made a good excuse for the state to restrict gatherings and demonstrations. Several civil society organisations highlighted the obvious paradox of banning peaceful gatherings of more than 10 people, which

61 <https://www.associations.gouv.fr/FDVA.html>

62 Le Parisien (2020). Gérald Darmanin proposera la dissolution du CCIF dans deux semaines : <https://www.leparisien.fr/faits-divers/gerald-darmanin-proposera-la-dissolution-du-ccif-dans-deux-semaines-27-10-2020-8405141.php>

63 L'Express.fr (2020). Séparatismes : ce que contient le projet de loi "confortant les principes républicains" : https://www.lexpress.fr/actualite/societe/justice/separatismes-ce-que-contient-le-projet-de-loi-confortant-les-principes-republicains_2138876.html

64 CIVICUS (2020). Civic Space Monitor – France : <https://monitor.civicus.org/country/france/>

the government did by decree on 11 May,⁶⁵ while allowing or even encouraging other activities, such as going to church, indoors and outdoors entertainment, voting, and professional gatherings. Consequently, the state banned several demonstrations during the year, despite the Council of State ruling in June against the general ban on public gatherings, on the grounds that their interdiction can be justified by the sanitary situation only if the safety regulations cannot be observed.⁶⁶ Several gilets jaunes marches were thus banned on the weekend of 11 to 13 September.⁶⁷

Another subject of concern regarding civic space is the increasing number of police crackdowns on peaceful protesters. Just as in 2018 and 2019, there were numerous excessive arrests in 2020, as well as unjustified use of teargas and violence against protesters, including healthcare workers,⁶⁸ climate protesters, feminists, gilets jaunes and pension-reform protesters. Journalists, too, have been victims of police brutality. In several instances in 2020, journalists were intimidated, brutalized, impeded or arbitrarily detained during or after the coverage of demonstrations. This happened during a trade union march in Paris in September, for example.⁶⁹ In light of this worrying trend, Reporters Without Borders (RSF) in June called on the Interior Minister⁷⁰ to ask for firm action to protect reporters from police brutality in France.

FREEDOM OF SPEECH

The NSG notes that freedom of speech is, overall, well-protected in France. However, RSF warns of a rising number of cases in which journalists are pressured to give divulge their sources, something that goes against the principle of source confidentiality, which is enshrined in law.⁷¹ In a number of instances, journalists investigating very sensitive topics have been summoned by intelligence services.⁷² The NSG reports that journalists from Le Monde and Mediapart were summoned as witnesses in a judicial case after their investigation of a state affair in 2019.⁷³ Similarly, according to the NSG, freedom of the press and freedom to inform in general are under threat from the proposal for a new security law that the government put to vote in the Assemblée Nationale in November 2020. This includes the contentious Article no. 24, which would make it a criminal offence to use images of the police in a “malevolent” way. The diffusion of images of the police containing their faces or any other elements of visible identification, with the goal of infringing their physical or psychological integrity, could lead to a prison sentence of up to one year and a EUR 45,000 fine.⁷⁴ Thousands of people all over France took the streets on 28 November to denounce this bill and the restrictions it would impose on fundamental freedoms.⁷⁵ The European Commission has also stepped into the debate to advocate for journalists’ rights and their need to work freely and safely.⁷⁶

65 Légifrance (2020). Décret n° 2020-663 du 31 mai 2020 prescrivant les mesures générales nécessaires pour faire face à l'épidémie de covid-19 dans le cadre de l'état d'urgence sanitaire : https://www.legifrance.gouv.fr/loda/article_lc/LEGIAR-TI000042022801/2020-06-22/

66 Conseil d'Etat (2020). Le juge des référés du Conseil d'État suspend l'interdiction générale et absolue de manifester sur la voie publique : <https://www.conseil-etat.fr/actualites/actualites/le-juge-des-referes-du-conseil-d-etat-suspend-l-interdiction-generale-et-absolue-de-manifester-sur-la-voie-publique>

67 CIVICUS (2020). CIVICUS Monitor: France <https://monitor.civicus.org/country/france/>

68 L. Gehrke (2020). Outbreaks of violence at Paris health care workers' protest, Politico.eu: <https://www.politico.eu/article/paris-violence-health-care-worker-protest/>

69 R. Andraca (2020). Pourquoi le journaliste Gaspard Glanz a-t-il été placé en garde à vue jeudi ? Libération, https://www.liberation.fr/checknews/2020/09/21/pourquoi-le-journaliste-gaspard-glanz-a-t-il-ete-place-en-garde-a-vue-jeudi_1799990

70 Reporters Without Borders (2020). Time for firm measures to protect reporters against police violence in France: <https://rsf.org/en/news/time-firm-measures-protect-reporters-against-police-violence-france>

71 Légifrance (2020). Loi du 29 juillet 1881 sur la liberté de la presse : <https://www.legifrance.gouv.fr/loda/id/JORF-TEXT000000877119/2020-11-15/>

72 Reporters Without Borders: <https://rsf.org/fr/france>

73 20 Minutes, AFP (2019). Affaire Benalla : Mediapart dénonce la convocation de quatre de ses journalistes : <https://www.20minutes.fr/societe/2628803-20191015-affaire-benalla-mediapart-denonce-convocation-quatre-journalistes>

74 Le Monde, AFP (2020). Quelles ont les principales mesures de la loi de sécurité globale ? https://www.lemonde.fr/police-justice/article/2020/11/17/quelles-sont-les-principales-mesures-de-la-loi-de-securite-globale-examinee-a-l-assemblee_6060063_1653578.html

75 E. Wax (2020). Thousands protest in France against new security bill, Politico.eu: <https://www.politico.eu/article/france-protests-security-bill-police-violence/>

76 E. Braun (2020). Commission steps into French fight against journalism rights, Politico.eu: <https://www.politico.eu/article/commission-opinion-france-law-journalism-police-photos/>

SOCIAL AND CIVIL DIALOGUE

The social partners finally engaged in social dialogue on remote working in early November. The trade unions had been demanding this since the spring, when 5 million employees turned to teleworking overnight,⁷⁷ but the employers confederation only agreed to open negotiations at the end of September. The unions' goal is to reach a national inter-professional agreement by the end of November to ensure the protection of workers in times of pandemic as well as normal times. On the other hand, employers are pushing for a non-binding agreement that would leave the concrete terms of the organization of teleworking to be agreed on by individual companies or companies.⁷⁸ Reaching an agreement on teleworking is the most pressing work issue of 2020, according to the NSG.

Overall, the NSG reports that social and civil dialogue is often incantatory. The public authorities refer to it, but there remains a significant gap between their displays of good intentions and follow-up actions, as dialogues are often limited to consultation rather than

co-decision. In 2018, 2019 and the beginning of 2020, several mass protests and general strikes highlighted the discord between the government's actions and the will of some of the population. The gilets jaunes protests started with the goal of denouncing a specific tax reform, but carried on well after the reform was reversed, seemingly turning into a movement of general opposition to the government. Mass demonstrations against the pension reform at the end of 2019 and the executive branch's attitude towards the reform also seem to underline that the government takes little account of the positions and proposals of intermediate bodies. Despite the magnitude of the strikes and protests, the opposition of the main trade unions, and non-binding announcements by the prime minister that he was willing to withdraw the pension reform bill, the government forced the bill through at the beginning of March 2020. To do so, it used the controversial Article no. 49.3 of the constitution, which is often called "antidemocratic". It allows a bill to pass unilaterally without consulting parliament. An ensuing vote of no confidence was brought by opposition parties but failed to achieve a majority.

77 Le Monde, AFP (2020). Une négociation sur le télétravail très attendue par les syndicats, moins par le patronat https://www.lemonde.fr/economie/article/2020/11/01/une-negociation-sur-le-teletravail-tres-attendue-par-les-syndicats-moins-par-le-patronat_6058093_3234.html

78 F. Durupt (2020). Télétravail : le patronat finalement ouvert à des négociations, Libération : https://www.liberation.fr/france/2020/09/22/syndicats-et-patronat-s-opposent-sur-l-avenir-du-teletravail_1800111

COMPARISON WITH THE COUNTRY SPECIFIC RECOMMENDATIONS

The European Commission's Country-Specific Recommendations address first and foremost the economic recovery from the Covid-19 crisis and debt sustainability, while our National Strategy Group has considered social rights and the need for structural changes. However, some of the latter elements also emerge in the Commission's recommendations. In line with the NSG's observations, the Commission identifies the need to reinforce the resilience of the health system, notably by ensuring a balanced distribution of health workers. With regards to mitigating the employment and social impact of the current crisis, the recommendations focus on promoting skills and support for jobseekers, which is also what our NSG recommends, in

particular for young people. Where the Commission advises that investment be focussed on the green and digital transitions, CEMEA, La Ligue and their NSG partners instead emphasise the need for the transition to be just. They put forward environmental, economic and social policies that will leave no one behind. The last recommendation from the Commission is to simplify the tax system. However, our report contends that, depending on the orientation of the reforms, simplifying the system could in fact steer it away from social-justice goals. The Commission makes no comment on how to ensure equal opportunities for people from a migrant background, or on the preoccupying rises in poverty and job precariousness.



solidar

 **TOGETHER FOR
SOCIAL EUROPE**

COUNTRY MONITOR: GERMANY



In general, Germany's domestic economic situation has led to a strong labour market, which translates into a high rate of employment and a low rate of unemployment. Nevertheless, economic growth slowed in 2019, and the manufacturing sector was one of the worst-performing in the country, which affected export growth.¹ Germany's performance in the European Pillar of Social Rights is moderately positive, as reflected by the Social Scoreboard. Indeed, the country performed above the EU average in many areas, registering a high performance in the majority of the Scoreboard's macro indicators. Its poorest performance was classified as medium and concerned three macro indicators: the impact of social transfers, early school leavers and income inequality. However, these last three are still above the EU average.² Early leaving and income inequality were also problematic elements in this Social Rights Monitor.

Furthermore, the great disparities between native citizens and non-EU-born people in terms of access to the labour market and education, as well as general social conditions, are another major issue for Germany. According to the National Strategy Group, an inappropriate migration law contributes to the permanence of social inequalities in Germany. Furthermore, while poverty has been steadily decreasing during recent years, income inequality is on the rise. Gender equality is another dimension of social justice that needs to be improved. Despite a good level of female employment and a good position on the Gender Equality Index, Germany presents one of the highest part-time employment rates for women in the EU, and the household division of domestic and care duties is still uneven. The state of civic space is good overall, but extremist and hostile demonstrations represent a threat.

¹ European Commission (2020) Country Report Germany 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0504&from=EN>

² European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/>

	2018	2019	EU-28 2019
GINI index ³	31.1	29.7	30.1
Unemployment ⁴	3.4%	3.1%	6.3%
Gender Equality Index ⁵	66.9 (2019)	67.5 (2020)	67.9 (2020)
In-work poverty ⁶	9.0%	7.9%	9.2%
Housing Overcrowding ⁷	7.4%	7.8%	15.6%
CIVICUS Civic Space Monitor ⁸		OPEN	N/A

Selected indicators on the state of social rights

EQUAL OPPORTUNITIES AND ACCESS TO THE LABOUR MARKET

In 2019, the German labour market confirmed its strength. The unemployment rate stabilized at 3.2%, and the employment rate increased slightly, standing at 80.2%⁹ in the last quarter of 2019. Furthermore, the rising trend of wages persisted. Nevertheless, some points for criticism can be identified, including the following: the reduction of the employment rate and wages in the manufacturing sector; an increase of bargaining power of employers that could jeopardize the general growth of wages in the future; and the difficulties encountered by refugees and asylum seekers in accessing the labour market.¹⁰

The NSG is somewhat critical of the labour-market legal framework. Between 2002 and 2005, a set of reforms in the labour market was introduced. Despite their categorization,

these reforms did not exclusively concern labour law. On the contrary, they were mainly focused on reframing the social-security and activation system for the unemployed and others of working age who need support, in order to find them work as the top priority. Although the employment rate increased and the unemployment rate declined shortly after the introduction of these measures, their impact on those indicators has been much more limited than is often thought, according to a study of the European Economic and Social Committee. More specifically, even though the reforms have accelerated the transition from unemployment, they have in some cases failed to improve job opportunities for the long-term unemployed, or else contributed to a general deterioration in job conditions. Besides, they have caused a reduction of labour turnover, making it harder for

3 Eurostat (2020). Gini coefficient of equivalised disposable income: http://appsso.eurostat.ec.europa.eu/nui/show.do?lang=en&dataset=ilc_di12

4 Eurostat (2020). Unemployment by sex and age: annual data: https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_rt_a&lang=en

5 European Institute for Gender Equality (2020). Gender Equality Index: <https://eige.europa.eu/gender-equality-index/2020/DE>

6 Eurostat (2020). In-work at-risk-of-poverty-rate : <https://ec.europa.eu/eurostat/databrowser/view/tespm070/default/table?lang=en>

7 Eurostat (2020). Overcrowding rate by age, sex and poverty status – total population: https://ec.europa.eu/eurostat/databrowser/view/ilc_lvho05a/default/table?lang=en

8 CIVICUS (2020). Civic space monitor - Germany: <https://monitor.civicus.org/country/germany/>

9 Eurostat (2020) Employment and activity by sex and age - quarterly data https://ec.europa.eu/eurostat/databrowser/view/LFSI_EMP_Q_custom_185412/default/table?lang=en

10 European Commission (2020) Country Report Germany 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0504&from=EN>

people to improve their wages or working conditions by changing employer.¹¹ In line with this analysis, the National Strategy Group stresses the persisting negative effects of the labour market reforms on vulnerable groups and expresses concern regarding their possible link with old-age poverty.

INCLUSION OF MIGRANTS

German migration and asylum legislation has recently been modified through the introduction of a set of amendments called the Migration Package, adopted in June 2019. The most controversial among these modifications is the Orderly Return Law (Geordnete-Rückkehr-Gesetz) which toughens the rules on deportations. The new law allows the authority responsible for the deportation to resort to detention for a short period, though only for the purpose of facilitating deportation. The reason for this specific measure is claimed to be the risk of someone absconding before deportation. What is considered highly worrying by civil society organisations (CSOs) working in the field of migration is that until 2022 regular prisons (instead of specialised institutions, which were used before the introduction of this measure) can be employed for pre-removal detention. Although detainees will be held in separate premises from regular inmates, this practice is considered unacceptable by many NGOs.¹²

An even more recent modification to the migration law, the Skilled Immigration Act,¹³ entered into force on 1 March 2020 and concerns the integration of skilled migrants into the labour market. This law responds to a shortage of skilled workers in the labour market that threatens Germany's economic growth.¹⁴ The new

measure makes it easier for qualified migrants to enter and take residence in Germany and extends the opportunity for skilled migrants originating from non-EU countries to stay, even while seeking employment or training. However, the law does not target immigrants whose asylum applications have already been rejected, nor migrants who have been living and working in Germany for years. This means that skilled migrants who meet the qualification and linguistic requirements, but who have been living and working in the country, are not eligible for a skilled worker's visa. Instead, they must first return to their home country to apply.¹⁵ Although some modifications have been introduced concerning the recognition of educational and professional qualifications – such as the acceleration of recognition processes – recognition is still far from being linear and automatic. It is thus not surprising that in its Country Report 2020, the European Commission states that 'immigration of skilled workers from third countries demands more-efficient and transparent administrative procedures, as well as improved recognition of educational and vocational qualifications'.¹⁶

Low-skilled males, young people with a migrant background and refugees are overrepresented among temporary-agency workers. Furthermore, the gap in employment rates between native-born people and those born outside the EU remains one of the highest in the Union: 16.3 percentage points in Germany versus an EU average of 9.4 points. This situation disproportionately affects women, as the employment gap for women born outside the EU is twice as high as for non-EU-born men. The big differences between natives and non-natives apply also to the gender activity gap, as the difference between the two groups'

11 European Economic and Social Committee (2014) The impact of the labour legislation reform in Germany <https://www.eesc.europa.eu/sites/default/files/resources/docs/qe-02-13-503-en-c.pdf>

12 AIDA; ECRE (2019) Germany: A controversial law package passes the Parliament <https://www.asylumineurope.org/news/14-06-2019/germany-controversial-law-package-passes-parliament-1>

13 Recognition in Germany (2020) Skilled Immigration Act <https://www.anerkennung-in-deutschland.de/html/en/pro/skilled-immigration-act.php#>

14 European Commission (2020) Country Report Germany 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0504&from=EN>

15 Euractiv (2020) Germany's Skilled Immigration Act: Who will benefit? <https://www.euractiv.com/section/justice-home-affairs/news/germanys-skilled-immigration-act-who-will-benefit/>

16 European Commission (2020) Country Report Germany 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0504&from=EN>

gender activity gaps stands at 20.2 percentage points, more than the double the EU average of 9.4 percentage points. This shows greater gender inequality in terms of the activity rate among the non-native population. Although the employment rate among refugees increased to 42.9% in 2018, up from 37.3% in 2016, barriers exist that still prevent this group from participating in the labour market. The main obstacles are a lack of German language and professional skills, together with the complexity of recognition procedures for qualifications achieved in their home countries.¹⁷ Some services in Germany are actively supporting immigrant access to the job market, such as the Service for Youth-Migration (JMD), which helps young people with an immigration background aged between 12 and 27. It supports migrants with their integration process through individual support, professional advice, group and educational courses and effective networking at schools and training organisations.¹⁸

The National Strategy Group mentions the persistence of racism in German society as a worrying phenomenon that is not sufficiently tackled. Moreover, it adds that right-wing populist parties often take advantage of this climate, pushing for anti-immigration policies. These claims are corroborated by the European Commission against Racism and Intolerance report on Germany, which identifies the increasing use of hate-speech for political propaganda. The report identifies Islamophobia as the main form of social hostility on religious grounds.¹⁹

EDUCATION AND YOUTH UNEMPLOYMENT

Although public expenditure on education has been increasing in recent years, Germany does not spend as much as it used to on this. The percentage of GDP directed to education decreased from 4.3% in 2010 to 4.1% in 2017. The percentage of total public expenditure on education is 9.4%, slightly less than the EU average of 10.2%. Although the proficiency in basic skills did not change much over the same period, according to the OECD's PISA scores for Germany, socio-economic conditions have a great influence on student performance. For instance, 27.5% more 15-year-old students from a low socio-economic background have poor performance in reading than students of the same age with a high socioeconomic status. Underachievement rates are also far higher for students born abroad. In this regard, Germany is one of the EU countries with the widest gaps, and the trend has been worsening since 2009. Educational performance also varies considerably between regions.²⁰ The National Strategy Group is in favour of keeping students on the same educational path as much as possible, notwithstanding their school performance, so as to reduce the impact of educational achievement on students' educational and professional future. The NSG reckons that the current school system imposes a choice of educational path that will heavily affect students' lives too early (between nine and 12 years of age).

17 Ibid.

18 Jugend Migrations Dienste (n.a.) <https://www.jugendmigrationsdienste.de/en/>

19 European Commission against Racism and Intolerance (2019) ECRI Report on Germany <https://rm.coe.int/ecri-report-on-germany-sixth-monitoring-cycle-/16809ce4be>

20 European Commission (2020) Country Report Germany 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0504&from=EN>

The percentage of early leavers in Germany for 2019 was in line with the EU average and slightly below its Europe 2020 target.²¹ Nevertheless, as is many other cases, great differences exist between native-born and foreign-born early leavers. In 2017, the rate of foreign-born early leavers from education and training was almost three times that of native-born.²² The National Strategy Group envisions the introduction of counselling in the school system as a possible way to mitigate the phenomenon of early leavers. This type of support would enable students to identify appropriate and sustainable education paths. The NSG considers

the participation of parents in this process fundamental.

Youth unemployment is not a significant issue in the German labour market. The unemployment rate of people aged 15 to 29 in 2019 was 4.3%, less than half of the EU-28 average (10.7%) and almost one-third of the euro-area average (12.5%).²³ However, there is still inequality between native and non-native youths. Also, the National Strategy Group underlines the persistent phenomenon of internal migration, as youths leave rural areas to work or study in urban areas.

FAIR WORKING CONDITIONS

RISK OF IN-WORK POVERTY AND INEQUALITIES

In-work poverty is one of the downsides of the German 'employment miracle'. Between 2012 and 2017 the rate of people who are in work but at risk of poverty increased from 7.7% to 9.0%, peaking at 9.9% in 2014. In 2019, the rate was 7.9%. The European Social Policy Network notices that since 2014 the trend seems to have been reversed as a consequence of the introduction of a statutory minimum wage. In general, the demographic groups that are more at risk of in-work poverty are women (10%, or 2 percentage points higher than the rate for

men), youths aged 18 to 26 (12.6%), people born outside the EU (18.6%) and people with a low level of educational attainment (21.7%).²⁴ In terms of precarious employment, Germany registered the lowest rate in the EU in 2019, along with Romania.²⁵

Income inequality has been rising. In 2018, the income share of the bottom 60% of earners fell by 2.5 percentage points from the previous year, while the share of the top 20% rose by 3.7%. Similarly, wealth inequalities continue to be high: in 2017, the richest 10% of households possessed around 55% of total net wealth.²⁶

24 ESPN (2019) In-work poverty Germany file:///C:/Users/User/Downloads/ESPN_DE_TR1_2018-19_on_in-work%20poverty_final.pdf

25 Eurostat (2020) Precarious employment by sex, age and NACE Rev. 2 activity https://ec.europa.eu/eurostat/databrowser/view/LFSA_QOE_4AX1R2_custom_196006/default/table?lang=en

26 European Commission (2020) Country Report Germany 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0504&from=EN>

21 Eurostat (2020) Early leavers from education and training https://ec.europa.eu/eurostat/statistics-explained/index.php/Early_leavers_from_education_and_training

22 European Commission (2018) Education and Training Monitor 2018 Germany https://ec.europa.eu/education/sites/education/files/document-library-docs/et-monitor-report-2018-germany_en.pdf

23 Eurostat (2010) Youth unemployment rate by sex, age and country of birth https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=yth_empl_100&lang=en

GENDER EQUALITY

Germany scored 67.5 points out of 100 on the Gender Equality Index for 2020, placing 12th in the general ranking. In recent years, Germany has improved its score, progressing faster than the rest of the EU. In 2020, the EU's Gender Equality Index was 67.9, slightly above Germany's.²⁷ Still, gender inequalities are present in Germany's society and economy. The female employment rate is one of the highest in the EU, but the gender gap in part-time employment is considerable. There is also a high gender pay gap, due to both the difference in hours worked and sectoral segregation.²⁸ However, the share of women working full time slightly increased between 2010 and 2020. In terms of educational and training segregation, women are overrepresented in the educational, health and welfare domains. Big inequalities also persist in the economic

situations of men and women: female single parents are 18 percentage points more at risk of poverty than male single parents.²⁹

Based on 2016 and 2015 data, women spend much more time than men carrying out care or domestic duties. Therefore, they have less time to invest in professional, personal and educational development.³⁰ The National Strategy Group flags this dimension of gender inequality as the most problematic one in Germany and the one with the biggest impact. Flexible working times have been discussed at sectoral and company level, and some changes have been introduced – such as the provision of leave for training or care purposes.³¹ But the NSG fears that these measures will not benefit women and their fairer integration in the labour market, as the uneven gender division of roles in households is still very present.

27 EIGE (2020) Gender Equality Index 2020: Germany <https://eige.europa.eu/publications/gender-equality-index-2020-germany>

28 European Commission (2020) Country Report Germany 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0504&from=EN>

29 EIGE (2020) Gender Equality Index 2020: Germany <https://eige.europa.eu/publications/gender-equality-index-2020-germany>

30 EIGE (2020) Gender Equality Index 2020: Germany <https://eige.europa.eu/publications/gender-equality-index-2020-germany>

31 Eurofound (2020) Living and working in Germany <https://www.eurofound.europa.eu/country/germany#working-time>

SOCIAL PROTECTION AND INCLUSION

HOUSING

The National Strategy Group considers living conditions in Germany to be satisfactory overall. However, it flags high housing prices as a major issue. According to the European Commission's 2020 Country Report, people in Germany use a higher proportion of their income to cover rent than the average for the euro area. House price inflation was 10% in 2019, increasing the difficulties for low- and middle-income households to afford adequate housing. This situation is particularly problematic considering that the ratio of homeownership in Germany is low. In metropolitan areas, housing investment is still far from responding to housing demand, which has been increasing partly as a consequence of net migration to metropolitan areas. The issue is particularly problematic in the case of social housing, as the supply was only one-third of the demand in 2017.³² The NSG laments the lack of coordination at local and regional levels, which is also confirmed by the European Commission's Country Report for 2020.

THE FIGHT AGAINST POVERTY

In 2019, 17.4% of people in Germany were at risk of poverty and social exclusion (AROPE), a rate considerably lower than both the EU (21.4%) and the euro-area (21.1%). The rate has been declining in recent years, as confirmed by 2019 data.³³ Germany is so far making progress on the path towards the UN SDG 1 ("end poverty in all its forms everywhere").

Nevertheless, the children most vulnerable to poverty are those in single-parent households, in families with three or more children, or whose parents have low educational attainment or a migrant background. The Strong Family Law was adopted in July 2019 to improve the social protection of children by easing access to child-related benefits, the supplementary child benefit (Kinderzuschlag) and benefits for education and participation (Leistungen für Bildung und Teilhabe). All these benefits were expanded under the same law. The coming months will indicate whether these new measures have had the desired effect of reaching more children and families.³⁴ In this respect, the NSG welcomes the recent policy changes but stresses the importance of improving social protection and benefits for the most vulnerable groups. Moreover, it encourages the strengthening of life-long learning and upskilling opportunities as a way to tackle poverty in general, especially considering the fast digitization of the labour market.

HEALTHCARE

The coexistence of public and private healthcare services leads to inequalities in the quality of care received by different income groups. The high-income population benefits from higher-quality treatment and shorter waiting times than the low-income groups, the National Strategy Group Reports. This is corroborated by statistics on self-reported health and on mortality and life expectancy, both of which show strong economic links. However, the

³² European Commission (2020) Country Report Germany 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0504&from=EN>

³³ Social Scoreboard (2020) At-risk-of-poverty or social exclusion rate (AROPE) (2019) <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

³⁴ European Commission (2020) Country Report Germany 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0504&from=EN>

overall rate of unmet medical needs in Germany (0.2%) was much lower than the EU average (1.8%) in 2018.³⁵

In terms of workforce, German healthcare is affected by a shortage of nursing professionals, which could have a negative long-term impact on the quality of care. To improve the situation, the government has released funds to hire 13,000 additional nurses from

2019 and is promoting recruitment from non-EU countries. In 2019, the NSG made the criticism that the reduced number of staff in hospitals had led to dangerous working conditions in the healthcare sector, especially during the Covid-19 pandemic. Another deeply problematic aspect of the German health system underlined by the National Strategy Group is that undocumented migrants do not have access to medical care.

CIVIC SPACE

The National Strategy Group for Germany positively evaluates civic space in the country in all dimensions: freedom of association, freedom of assembly and freedom of speech. The CIVICUS monitor of civic space confirms this evaluation, assessing German civic space as open.³⁶ In freedom of speech, Germany occupies 11th position out of 180 in the World Press Freedom Index for 2020. Its placement in the ranking improved by two positions from 2019 as a consequence of an improvement in its score. Journalists work in a secure environment thanks to an independent judiciary and solid constitutional guarantees. However, some aspects can be criticised, such as extremist and hostile demonstrations – mainly by far-right groups, but not solely – that sometimes threaten journalists. Government officials' and lawmakers' proposals to enforce far-reaching security, data-retention and surveillance laws present a potential risk of infringing rights such as digital privacy and anonymity. Other weaknesses in the country's civic space are a lack of access to information and the erosion of media pluralism.³⁷

GOOD PRACTICE

DEMOKRATIE LEBEN

Demokratie Leben (Living Democracy)³⁸ is a federal programme launched by the Federal Ministry of Family Affairs, Senior Citizens, Women and Youth and implemented in 2015. It aims to strengthen democracy, shape diversity and prevent extremism in Germany. To this end, it funds innovative initiatives that are in line with the programme's objectives at the local level and gathers knowledge and expertise from pilot projects for future learning in this field. Demokratie Leben also builds competence and expertise in thematic areas through specialists' events and similar activities.

35 European Commission (2020) Country Report Germany 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0504&from=EN>

36 CIVICUS (2020) Monitor tracking civic space <https://www.civicus.org/index.php/state-of-civil-society-report-2020>

37 Reporters Without Borders (2020) Germany <https://rsf.org/en/germany>

38 Federal Ministry of Family Affairs, Senior Citizens, Women and Youth (n.a.) <https://www.demokratie-leben.de/en/programme>

COMPARISON WITH THE COUNTRY SPECIFIC RECOMMENDATIONS

The European Commission's 2020 Country-Specific Recommendations³⁹ for Germany include some of the elements in this Social Rights Monitor. In line with the National Strategy Group, the Commission identifies the need to increase investment in housing and education in order to achieve upskilling and training in the face of the digitization of the labour market. The need for a more resilient health system and more nursing staff is also mentioned. On the other hand, the recommendations do not go far enough on the social dimension of the European Semester, as the document focuses on economic recovery, financial sustainability and technological

development in several sectors. In fact, the recommendations do not address some of the issues linked to the European Pillar of Social Rights: they do not include indications concerning more consistent socio-economic inclusion of people from a migration background or the significant gender gap in part-time employment that affects Germany's labour market. On a positive note, space is given to the transition to a green economy, and suggestions are elaborated for how to improve Germany's policies in this field. For instance, investments in sustainable transport infrastructure are encouraged, as is the strengthening of energy networks.

39 European Commission (2020) Council Recommendation on the 2020 National Reform Programme of Germany and delivering a Council opinion on the 2020 Stability Programme of Germany [https://eur-lex.europa.eu/legal-content/EN/TX-T/?qid=1591720698631&uri=CELEX%3A52020DC0505](https://eur-lex.europa.eu/legal-content/EN/TX/T/?qid=1591720698631&uri=CELEX%3A52020DC0505)



COUNTRY MONITOR: GREECE



The Covid-19 crisis has pushed back the efforts made in Greece, which had been hard-hit by the financial crisis of 2008. The unemployment rate is above 16%; income inequality is the highest in the European Union at a quintile share ratio of 5.1; and there are persistent gender and regional disparities. Moreover, the pressure to maintain the welfare system continues to overburden low-income households and other vulnerable groups, following recent tax cuts and the phasing out of the solidarity levy. These vulnerable groups must confront an increase in housing costs, high rates of out-of-pocket expenditure for healthcare and the diminishing effectiveness of social transfers, which currently reduce the risk of poverty by 30%. There are also reports of high rates of undeclared work and low wages,

and SOLDIAR's National Strategy Group in Greece considers precariousness as a main reason driving an increase in frustration and a high emigration rate. Furthermore, the education and healthcare systems have both experienced budgetary cuts and present severe labour shortages. These were highlighted in the European Commission's country-specific recommendations, which the NSG finds concerning especially during the pandemic and the switch to e-learning. In terms of inclusion of migrants, there are some inconsistencies reported by the NSG between the positive measures of the National Development Plans and the government restrictions on NGO work to support migrants and asylum seekers. These inconsistencies further hinder their access to essential services.

	2018	2019	EU-28 2019
Gini index ¹	32.3	31.0	30.1
Unemployment ²	19.3%	17.3%	6.3%
Gender Equality Index ³	51.2 (2019)	52.2 (2020)	67.9 (2020)
In-work poverty ⁴	10.9%	10.1%	9.2%
Housing Overcrowding ⁵	29.2%	28.7%	15.6%
CIVICUS Civic Space Monitor ⁶		NARROWED	N/A

Selected indicators on the state of social rights

1 Eurostat (2020). Gini coefficient of equivalised disposable income http://appsso.eurostat.ec.europa.eu/nui/show.do?lang=en&dataset=ilc_di12

2 Eurostat (2020). Unemployment by sex and age: annual data: https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_rt_a&lang=en

3 European Institute for Gender Equality (2020). Gender Equality Index <https://eige.europa.eu/gender-equality-index/2020/EE>

4 Eurostat (2020). In-work at-risk-of-poverty-rate <https://ec.europa.eu/eurostat/databrowser/view/tespm070/default/table?lang=en>

5 Eurostat (2020). Overcrowding rate by age, sex and poverty status – total population https://ec.europa.eu/eurostat/databrowser/view/ilc_lvho05a/default/table?lang=en

6 CIVICUS (2020). Civic space monitor – Greece <https://monitor.civicus.org/country/greece/>

EQUAL OPPORTUNITIES AND ACCESS TO THE LABOUR MARKET

In the context of stable annual economic growth of 2% since 2017,⁷ Greece is still recovering from the 2012 economic crisis. Some improvements have been seen in the reduction of income inequality since 2014 and of long-term unemployment,^{8 9} which is slowly reaching the European Union average. Yet Greece still has the highest unemployment in the Union, at 16.6% in 2019.¹⁰ The rate is higher for some groups: the unemployment rate for women was 20.2%¹¹ at the end of 2019; that for youth was 32.6%;¹² and that for migrants was 28.6%.¹³ Greece's income inequality, too, is higher than the EU average, with a 5.1 quintile share ratio of the income of the top 20% of earners to that of the bottom 20%.¹⁴

Despite a rising tax-to-GDP ratio since the crisis, which reached 38.9% in 2019, the higher tax revenue is not financing a wider social safety net. Both the European Commission and the National Strategy Group (NSG), led by the Association for the Social Support of Youth

(ARSIS), agree that the system is overburdening low-income households and households with children.¹⁵ This is because a significant share of tax revenue continues to come from indirect taxation on consumption and employee-paid taxation on labour.¹⁶ The reforms introduced in January 2020 increased personal disposable income by reducing income tax from 15% to 10%.¹⁷ But a reduction of corporation tax to 24%,¹⁸ a 5% reduction of employers' insurance contributions over four years and the slow phasing out the solidarity levy¹⁹ are, in the eyes of the NSG, constraining the capacity of the welfare and pension systems. These reductions follow years of decline in social protection expenditure as a share of GDP, from 21% in 2012 to 19% in 2018.²⁰ As a result, Greece ranks the lowest of the EU member states on the Global Social Mobility Index 2020,²¹ at 48th, cementing persistent inequalities.

Within this context of inequality, improving gender disparities is not on the current Greek

7 European Commission (2020) Country Report Greece 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0507&from=EN>

8 Eurostat (2020) Gini Coefficient of equalized disposable income – EU- SILC Survey http://appsso.eurostat.ec.europa.eu/nui/show.do?lang=en&dataset=ilc_di12

9 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

10 European Commission (2020) Country Report Greece 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0507&from=EN>

11 Eurostat (2020) Unemployment by sex and age – monthly data <https://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

12 Ibid.

13 Eurostat (2020) Unemployment rates by sex, age and country of birth (%) <https://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

14 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

15 European Commission (2020) Country Report Greece 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0507&from=EN>

16 European Commission (2020) Taxation Trends in the European Union: Data for the EU Member States, Iceland and Norway 2020 Edition. https://ec.europa.eu/taxation_customs/sites/taxation/files/taxation_trends_report_2020.pdf

17 Kathimerini (2019) Increases in salaries and pensions in 2020 due to tax cuts <https://www.kathimerini.gr/1058106/gallery/oikonomia/ellhnikh-oikonomia/ay3hseis-se-mis8oys-kai-synta3eis-to-2020-logw-meiwshs-forologias>

18 European Commission (2020) Country Report Greece 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0507&from=EN>

19 Kathimerini (2019) Reduction of insurance contributions by 5% over a period of four years <https://www.kathimerini.gr/1056294/article/oikonomia/ellhnikh-oikonomia/meiwsh-asfalistikwn-eisforwn-kata-5-se-va8os-tetraetias>

20 Eurostat (2020) General Government expenditure by Function (COFOG) https://ec.europa.eu/eurostat/databrowser/view/gov_10a_exp/default/table?lang=en

21 World Economic Forum (2020) The Global Social Mobility Report 2020: Equality, Opportunity and a New Economic Imperative. http://www3.weforum.org/docs/Global_Social_Mobility_Report.pdf

government's agenda, despite Greece standing last in the European Gender Equality Index.²² The gender employment gap is still 20%, and no update has been provided on the gender pay gap since 2014, when it was 12.5%.²³ Nevertheless, the NSG reports that gender equality is receiving increased attention. Existing policies include respect of the right to parental leave in the employment law, the EUR 30.8 million Women Entrepreneurship Programme,²⁴ and 211 municipalities adopting the European Charter for Equality.²⁵ The 2019 law on the Promotion of substantive gender equality, prevention and fight against gender-based violence introduces certain advances in the fight against discrimination, despite still falling short of EU acquis.²⁶

During the Covid-19 pandemic, Greece responded rapidly, deploying unprecedented measures. Yet the Commission forecasts a significant economic impact, with a temporary rise in unemployment to 19.9% that threatens recent improvements.²⁷ The Greek government has mobilised EUR 5.9 billion as part of its immediate fiscal response to reduce the socio-economic impact.²⁸ Most of these efforts have been directed towards supporting recently-suspended employees, covering social security contributions, extending unemployment benefits and supporting public servants who work in healthcare.

INCLUSION OF MIGRANTS AND REFUGEES

Greece continues to be the main recipient of refugees and migrants arriving in Europe from the Mediterranean. With 122,000 refugees settling in the country since 2015-2016,²⁹ non-EU migrants now make up 8.7% of the population.³⁰ The educational and equal-opportunities aims in the social development axis of the National Development Plans for 2021-2025³¹ prove that the government has recognised this demographic change. These goals have been made more concrete by the short- and long-term social and economic inclusion measures in the National Integration Plan launched in July 2019.³² Reflecting on these developments, the NSG stresses how this is a step towards recognising the importance of migrants and refugees for Greece.

Integration efforts carried out by the Greek authorities revolve around counselling, psychological support and improving access to the labour market. The NSG indicates that the latter is of special importance to the Greek government, as public action towards such integration is motivated by an understanding of employment as an essential guarantee of integration and self-reliance. These policies and initiatives depend on the EUR 328.3 million allocated to Greece for 2014-2020 by the EU's Asylum,

22 European Institute for Gender Equality (2019) Gender Quality Index Score for Greece for 2019 <https://eige.europa.eu/gender-equality-index/2019/EL>

23 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

24 ESPA (2020) Women Entrepreneurship <https://www.espa.io/programmata/olokliromena/gunaikeia-epixeirhmatikothta/>

25 Ministry of Labour and Social Affairs (2019) 'Municipalities showing the registration for each Charter for Gender Equality in language societies (March 2019)' <http://www.isotita.gr/%CE%B4%CE%AE%CE%BC%CE%BF%CE%B9-%CF%80%CE%B-F%CF%85-%CE%AD%CF%87%CE%BF%CF%85%CE%BD-%CF%85%CF%80%CE%BF%CE%B3%CF%81%CE%AC%CF%88%CE%B5%CE%B9-%CF%84%CE%B7%CE%BD-%CE%B5%CF%85%CF%81%CF%89%CF%80%CE%B1%CF%8A/>

26 Petroglou, Panagiota (2019) European Network of Legal Experts in Gender Equality and Non-discrimination Flash Report: New Act 4604/2019 on substantive equality entered into force on 26 March 2019 <https://www.equalitylaw.eu/downloads/4907-greece-new-act-4604-2019-on-substantive-equality-entered-into-force-on-26-march-2019-pdf-102-kb>

27 European Commission (2020) Council Recommendation on the 2020 National Reform Programme of Greece and delivering a Council opinion on the 2020 Stability Programme of Greece <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020DC0508&from=EN>

28 Bruegel (2020) Bruegel Dataset: The Fiscal response to the economic fallout from the coronavirus. <https://www.bruegel.org/publications/datasets/covid-national-dataset/#greece>

29 UNHCR (2020) Fact Sheet: Greece (1-30 June 2020) <https://data2.unhcr.org/en/documents/download/78115>

30 European Commission (2020) Country Report Greece 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0507&from=EN>

31 Ministry of Development and Investment (2020) Development Objectives of the National Development Plans and their specialisation in priorities <http://www.opengov.gr/ypoian/wp-content/uploads/2020/06/a3.pdf>

32 Ministry of Immigration Policy (2019) National Strategy for Integration

Migration, and Integration Fund (AMIF).³³ They are implemented with the collaboration of regional and municipal authorities, NGOs, civil society organisations and international institutions such as UNHCR and the IOM.

GOOD PRACTICE

REFU-AID

The project Refu-aid³⁴, carried out by Perichoresis, provides financial support within a period of five years for housing and vocational training for refugees away from the precariousness of the migration camps. Starting from a notion that integration requires more than three years of work, the project slowly allows refugees to become self-sufficient and participate in Greek society, whilst supporting the local Greek communities to contribute to this process.

Despite its positive remarks about the impact of these initiatives, the NSG signals a need to focus more on improving access to basic needs and accommodation. The main weakness of the Greek integration plans is their overreliance on employment for success, given the country's already weak labour market. More initiatives are needed to stimulate a welcoming societal context and change local attitudes to migration and asylum seekers, as such efforts can increase migrants' and asylum seekers' social and economic participation.³⁵

Nevertheless, recent adjacent policy developments reported by the NSG seem to be at odds with these integration plans. From 2019, the Ministry of Labour has only issued temporary insurance numbers for this vulnerable group,³⁶ hindering their access to essential social benefits and their insertion into the labour market. In 2020, the Expert Council on NGO Law and the European Commission, amongst other international bodies, criticised the Ministry of Migration Policy's introduction of unnecessary registration procedures based on vague criteria and costly procedures for NGOs to receive mandatory accreditation. These international bodies said these changes would reduce the provision of essential services for refugees and asylum seekers.³⁷ Furthermore, the conservative New Democracy government has reduced the reception period from 6 months to 30 days, after which refugees and asylum seekers are obliged to transition from reception facilities to independent living. As they do not have access to the welfare system or income of their own, according to UNHCR, this decision will lead them into homelessness and poverty.³⁸

EDUCATION

The public education system in Greece continues to present several structural deficiencies. In the context of a sustained decrease in education expenditure, from 4.5% of GDP in 2013 to 3.9 in 2018,³⁹ both the NSG and the European Commission are concerned about

33 European Commission (2019) Managing Migration: EU Financial Support to Greece (February 2019) https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/policies/european-agenda-migration/201902_managing-migration-eu-financial-support-to-greece_en.pdf

34 Perichoresis (2020) Projects <https://www.perichoresis.ngo/en/projects/>

35 Hynie, Michaela (2018) Refugee Integration: Research and Policy <https://psycnet.apa.org/fulltext/2018-39059-002.pdf>

36 Angelidis, Dimitris (2020) Temporary AMKA for refugees https://www.efsyn.gr/ellada/dikaiomata/229872_prosorinos-amka-gia-prosfyges

37 Refugees Legal Support (2020) Joint Letter to Greek Authorities: implement recommendations made by Expert Council on NGO Law. <https://www.refugeelegalsupport.org/single-post/2020/07/10/Joint-letter-to-Greek-authorities-implement-recommendations-made-by-Expert-Council-on-NGO-Law>

38 UNHCR (2020) Briefing Note: Greece must ensure safety net and integration opportunities for refugees <https://www.unhcr.org/news/briefing/2020/6/5ed603924/greece-must-ensure-safety-net-integration-opportunities-refugees-unhcr.html>

39 Eurostat (2020) General Government expenditure by Function (COFOG) https://ec.europa.eu/eurostat/databrowser/view/gov_10a_exp/default/table?lang=en

the lack of staff. The recruitment of permanent teachers in the public system was frozen in 2008,⁴⁰ leading to a reliance on substitute teachers. They must cover several subjects simultaneously in certain rural areas without sufficient teaching staff,⁴¹ and this has been identified as one of the main causes of the decreasing quality of education. Furthermore, the constant policy changes, especially in the examination system,⁴² are still not addressing a lack of focus on digital education or the skills mismatch.⁴³

As a result, students are reporting increasing difficulties in focusing and a low level of satisfaction with the system,⁴⁴ as reported by the NSG, and they also face a more difficult transition from education to work. Recent graduates who have completed secondary education are reported to be employed at a rate of 57.7%, while for those transitioning out of higher education the rate is 48.7%⁴⁵, compared to the average employment rate of 61.2%.⁴⁶ Furthermore, almost one in five 15-year-old early school dropouts continues to have reading difficulties and rarely manages to improve.

Nevertheless, the early dropout rate in Greece is much lower than the EU average, as reported

by the NSG. The Greek figure has been improving since 2008 and currently stands at 4.1%.⁴⁷ The dropout patterns closely resemble those in the rest of the EU: they usually occur in secondary school and affect male students more often. Nevertheless, the reporting done through the framework of the National Policy Plan for the Reduction of School Dropouts in Greece 2014-2020⁴⁸ provides data showing that this improvement is not uniform across Greece. Rural areas account for four out of 10 early dropouts, and they present higher dropout rates than urban areas, except for Athens and the Attica prefecture.⁴⁹ Progress in addressing this problem is still limited.⁵⁰

WORKING CONDITIONS, PRECARIOUSNESS AND THE BRAIN DRAIN

The NSG reports inconsistencies between the legal framework that upholds standard labour rights and recurrent negligent labour practices due to a lack of legal enforcement and insufficient oversight capacity. Following an increase in auditing staff since 2018 and a nationwide inspection conducted by the Ministry of Labour in 2019,⁵¹ one in four employees was found to be uninsured or working more hours

40 Euronews (2019) Over 3,000 Greek primary school teachers clash with police over public-sector hiring reforms <https://www.euronews.com/2019/01/14/over-3-000-greek-primary-school-teachers-clash-with-police-over-public-sector-hiring-reform>

41 European Commission (2020) Country Report Greece 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0507&from=EN>

42 Enikos (2019) "Locks" the new examination system for admission to universities - What changes is planned by the Ministry of Education <https://www.enikos.gr/society/689645/kleidonei-to-neo-exetastiko-systima-eisagogis-sta-aei-poiies-allag>

43 European Commission (2020) Country Report Greece 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0507&from=EN>

44 Kokkevi, Anna; Fotiou, Tasos; Stavrou, Myrto; Kanavou, Eleftheria; and Richardson, Clive (2019) Panhellenic research on adolescents' health-related behaviors (HBSC / WHO research) <https://www.epipsi.gr/index.php/research/97-ereuna-hbsc-who>

45 European Commission (2020) Country Report Greece 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0507&from=EN>

46 Eurostat (2022) Employment – annual statistics https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Employment_-_annual_statistics

47 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

48 Ministry of Education and Religions (2015) National Policy Plan for the Reduction of School Dropouts in Greece 2014-2020 https://www.minedu.gov.gr/publications/docs2015/14.%CE%A3%CF%87%CE%AD%CE%B4%CE%B9%CE%BF_%CE%94%CF%81%CE%AC%CF%83%CE%B7%CF%82_%CE%A0%CE%95%CE%A3_2014-2020.pdf

49 OECD (2018) Reviews of National Policies for Education: Education for a Bright Future in Greece <https://www.oecd-ilibrary.org/docserver/9789264298750-en.pdf?expires=1596724579&id=id&accname=guest&checksum=F9AAFB-500064C56A7E09EB1B63F28903>

50 European Commission (2020) Country Report Greece 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0507&from=EN>

51 Eifemerida (2019) "Safari" checks by the Ministry of Labor: 1,120 raids by inspectors in 8 days <https://www.iefimerida.gr/tag/anasfalisti-ergasia>

that reported by employers.⁵² Despite the high fines for such actions, one in four employees performs undeclared work, mostly in the catering sector.⁵³ Another issue the NSG is worried about is the extent of precariousness. The trend towards flexibilization and the overrepresentation of part-time employment, especially amongst young people, are seen as linked to the deconstruction of the labour market and an increase in attempts to circumvent regulations.⁵⁴ Among workers with temporary contracts, the main reason to continue for over 60% is the lack of access to a more secure

employment contract.⁵⁵ This is a significant concern, given that part-time workers face a higher rate of being at risk of poverty or social exclusion (ARPE) than workers on permanent contracts in Greece.⁵⁶

The combination of these employment trends, high levels of youth unemployment and an increase in feelings of frustration amongst young people⁵⁷ explains the extend of the brain drain, as reported by the NSG. Since 2010, 530,000 young Greeks have sought employment opportunities abroad.⁵⁸

52 Fakalis, Timos (2019) Northern Greece: Undeclared work for 1 in 4 Employees -Champions in cafes-bars https://www.ethnos.gr/oikonomia/51912_boreia-ellada-mayri-ergasia-gia-1-stoys-4-ergazomenoys-protathlites-ta-kafe-mpar

53 Fakalis, Timos (2019) Northern Greece: Undeclared work for 1 in 4 Employees -Champions in cafes-bars https://www.ethnos.gr/oikonomia/51912_boreia-ellada-mayri-ergasia-gia-1-stoys-4-ergazomenoys-protathlites-ta-kafe-mpar

54 Papadakis, Nikos; Drakaki, Maria; Saridaki, Sofia; Dafermos, Vassilis (2020) Precarious Work and Youth, in Greece: theoretical and definitional insights and critical notes on the international-national state of play and the impact of precariousness in young people's life course and political behaviour <https://ecpr.eu/Filestore/PaperProposal/133a93dd-8821-48f0-a341-03c1853f05e0.pdf>

55 Ibid.

56 Eurofound (2020) Labour market change: Trends and policy approaches towards flexibilization. https://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef19034en.pdf

57 Papadakis, Nikos; Drakaki, Maria; Saridaki, Sofia; Dafermos, Vassilis (2020) Precarious Work and Youth, in Greece: theoretical and definitional insights and critical notes on the international-national state of play and the impact of precariousness in young people's life course and political behaviour

58 Balis, Dimitris (2020) Greek immigrants: How many and who left, where they went, how many return https://www.huffingtonpost.gr/entry/ellines-metanastes-erevna_gr_5e65dab9c5b60557280743e6

SOCIAL PROTECTION AND INCLUSION

High tax rates, high unemployment, precariousness and low salaries are taking a toll on living conditions, according to the NSG. Even after a slight decrease since 2015, Greece's 2019 AROPE rate was 30%, only surpassed in the EU by Bulgaria and Romania.⁵⁹

Yet some improvements have been effective and are starting to show in the capacity of the welfare system to address poverty, the NSG indicates. Social transfers lowered the AROPE rate to 17.9% in 2019, compared to 23.1% in 2012, at the height of the economic crisis.⁶⁰ With the support of EUR 4 billion from the EU Structural Funds allocated to Greece for 2014-2020,⁶¹ the Greek government is continuing its existing poverty prevention policies, mainly through the provision of shelter and personalised job counselling.⁶² Nevertheless, the NSG also points out that the poverty threshold has been lowered, leaving out some who would previously have been considered at risk.

Access to affordable housing is a significant concern, as house prices and rent have increased, more prominently so in the urban areas, according to the NSG. In Athens, house prices have gone up by 4.2% in 2018 and rent by 17%.⁶³ Monthly rents in the Greek

capital average between EUR 600 and EUR 800 (while an average salary is EUR 1,000 per month), similar to the levels before the financial crisis, because of an increase in properties being dedicated to short-term rental through the Airbnb platform.⁶⁴ As a result, 40% of households in Greece are dedicating more than 40% of their income to housing costs.⁶⁵ Access to housing is more troubling for low-income households and vulnerable groups such as migrants, refugees, and Roma, many of whom are already living in inadequate conditions,⁶⁶ the NSG reports. Greece still does not have a public housing scheme that provides permanent solutions,⁶⁷ though it is currently developing a strategy to prevent and combat homelessness and housing exclusion.⁶⁸

With the re-introduction in 2016 of a free and accessible healthcare system,⁶⁹ Greece marked a shift from health expenditure cuts that had resulted from austerity measures, the NSG signals. The NSG especially welcomes the launch of Local Health Teams to improve access to such public services, which have been key in providing support during the Covid-19 pandemic. Yet the NSG is cautious about these improvements, as it reports that the public health system is not fit to cover the

59 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

60 Hellenic Statistical Authority (2020) Living Conditions in Greece: 3 July 2020 https://www.statistics.gr/documents/20181/16865455/LivingConditionsInGreece_0720.pdf/98946bf3-eab4-05b5-65b4-9942bf129813

61 European Commission (2014) Press Release: European Commission adopts 'Partnership Agreement' with Greece on using EU Structural and Investment Funds for growth and jobs in 2014-2020 http://www.esfhellas.gr/Lists/Custom_Announcements/Attachments/119/DELTI0%20TYPOU%20EN.pdf

62 Organisation of Employability of Human Resources (2020) Staff Recruitment services <http://www.oaed.gr/programmata-pros-lepseis-prosopikou>

63 Ipaidia (2019). Εκτόξευση των ενοικίων στην Ελλάδα λόγω Airbnb: <https://www.ipaidia.gr/eidiseis/ektokseusi-ton-enoiki-on-stin-ellada-logo-airbnb>

64 Roussanaglou, Nikos (2020) Rents in Athens rise to prohibitive levels <https://www.ekathimerini.com/249856/article/ekathimerini/business/rents-in-athens-rise-to-prohibitive-levels>

65 European Commission (2020) Country Report Greece 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0507&from=EN>

66 Ziomas, Dimitris; Konstantinidou, Danai; Capella, Antoinetta; and Vezyrgianni, Katerina (2019) National Strategies to fight homelessness and housing exclusion: Greece file:///C:/Users/miguel/AppData/Local/Temp/ESPN_EL_homelessness%20and%20housing%20exclusion_2019.pdf

67 European Commission (2020) Country Report Greece 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0507&from=EN>

68 Ziomas, Dimitris; Konstantinidou, Danai; Capella, Antoinetta; and Vezyrgianni, Katerina (2019) National Strategies to fight homelessness and housing exclusion: Greece file:///C:/Users/miguel/AppData/Local/Temp/ESPN_EL_homelessness%20and%20housing%20exclusion_2019.pdf

69 European Commission (2016) Law 4368/2016, Article 33 on free access to health care services <https://ec.europa.eu/mi-grant-integration/librarydoc/law-4368/2016-article-33-on-free-access-to-health-care-services>

needs of the population. Despite registering improvements in the overall health of the population,⁷⁰ Greece still has one of the highest rates of self-reported unmet needs for medical care, at 8.1%.⁷¹ Given that 36% of the total health-care system is funded by out-of-pocket expenditure, largely via co-payments,⁷² a rate which has been rising since 2016,⁷³ the NSG reports a general reluctance among the population to access primary health services and concerns over equal access. The 2019 reforms introduce a favourable settlement of 2013-2019 debts, a faster recruitment of health staff and improvements in the monthly compensation of family doctors,⁷⁴ but they do not tackle the structural deficiencies mentioned above. In addition, the NSG reports that refugees and asylum seekers still face language and administrative obstacles, especially related to temporary social security numbers. These problems are yet to be addressed, despite their typically poor state of health due to their journeys to Greece and

time spent in refugee camps. Given this situation and the additional pressure brought by the Covid-19 pandemic, the government intends to draw up a plan for a new national health system in the wake of the pandemic.⁷⁵

To transition towards a green economy, Greece presented the National Energy and Climate Plan in December 2019,⁷⁶ having received strategic support from the European Commission.⁷⁷ Amongst other goals, the NSG specifically reports on lignite-extraction regions such as Western Macedonia: targeted actions would reduce its dependency, finance the development of cleaner forms of energy and improve living conditions in urban areas.⁷⁸ Through open public consultations, the government intends to introduce plans to prevent energy poverty, strengthen the circular economy and develop green-employment and re-skilling programmes. These will need to use the Just Transition Fund.⁷⁹

70 Hellenic Statistical Authority (2020) Living Conditions in Greece: 3 July 2020 https://www.statistics.gr/documents/20181/16865455/LivingConditionsInGreece_0720.pdf/98946bf3-eab4-05b5-65b4-9942bf129813

71 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

72 European Commission (2020) Country Report Greece 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0507&from=EN>

73 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

74 Forin (2019) Law 4647/2019 (Government Gazette A '204 / 16.12.2019) Urgent regulations of competence of the Ministries of Health, Interior, Labor and Social Affairs and other provisions. <https://www.forin.gr/laws/law/3811/nomos-4647-2019>

75 CNN Greece (2020) Mitsotakis: We will build the new National Health System <https://www.cnn.gr/politiki/story/220748/mitso-takis-tha-ftiaxoyme-to-neo-ethniko-systima-ygeias>

76 Ministry of the Environment and Energy (2019) National Energy and Climate Plan https://ec.europa.eu/energy/sites/ener/files/el_final_necp_main_en.pdf

77 European Commission (2020) Supporting clean energy investments in Greece for the Ministry of Environment and Energy https://ec.europa.eu/info/sites/info/files/supporting_clean_energy_investments_in_greece.pdf

78 Máchi, Trátsa (2020) De-lignification: The government's biggest bet <https://www.tovima.gr/2020/02/10/society/apolignitopoiisi-to-megalytero-stoixima-tis-kyvernisis/>

79 Ministry of the Environment and Energy (2019) National Energy and Climate Plan https://ec.europa.eu/energy/sites/ener/files/el_final_necp_main_en.pdf

CIVIC SPACE

Civic space in Greece has narrowed, according to the CIVICUS Monitor.⁸⁰ The National Strategy Group reports that this is because of developments concerning the freedom of association and assembly.

The New Democracy government introduced additional registration procedures for NGOs providing support for asylum seekers and migrants, and it limited activity in the field to only those that have been approved. Not only are these organisations asked to register, but information about members, employees and associates must be provided as part of the procedure.⁸¹ Given the ongoing New Democracy government's negative feeling towards asylum-support NGOs, the Expert Council on NGO Law and other organisations have condemned the new administrative procedure. They say that it worsens the humanitarian crisis and limits the freedom of association, disproportionately affecting smaller NGOs that do not have adequate financial capability.⁸²

Furthermore, the NSG records that a controversial law approved in July 2020 restricting public outdoor assemblies is several questions regarding the freedom of peaceful assembly.⁸³ Despite the Ministry of Citizen Protection justifying the bill as a mean to safeguard public

health, Amnesty International has expressed concerns over the notification requirements, the methods to disperse peaceful assembly, and provisions that hold organisers liable for the actions of individual protestors.⁸⁴ The NSG reported opposition, including a petition to stop the rules applying to unions and opposition parties, given concerns over how the new measures will affect free public debate.^{85 86}

Other factors limiting free speech, according to the NSG, include Increasing attacks on journalists covering the situation in refugee camps, and a lack of clarity in the distribution between media of funds to pay for public information advertisements.⁸⁷

Despite civil society organisations (CSOs) being actively involved in social dialogue in Greece, the NSG is concerned that their voices are rarely heard. These concerns result from their exclusion from the design of new laws and from reviews of implementation: CSOs' opinions are only sought after a plan has been settled. The NSG requests that CSOs be included in the design of proposals for regulations, policies and programmes on an equal footing to international organisations such as UNCHR and IOM (International Organization for Migration).

80 CIVICUS (2020) CIVICUS Monitor: Greece <https://monitor.civicus.org/country/greece/>

81 Ibid.

82 Nielsen, Nikolaj (2020) New Greek rules stigmatise NGOs working with migrants https://euobserver.com/migration/148530?utm_source=euobs&utm_medium=email

83 Kathimerini (2020) The bill on demonstrations was voted in favor <https://www.kathimerini.gr/1086808/article/epikairothta/politikh/yperyhfishke-to-nomosxedio-gia-tis-diadhlwseis>

84 Amnesty International (2020) Greece: Amnesty International Statement on Bill of the Ministry of Citizen Protection: 'Public Outdoor Assemblies and Other provisions' <https://www.amnesty.org/download/Documents/EUR2527062020ENGLISH.pdf>

85 Avgi (2020) GSEVEE opposes the bill for the marches and demonstrations, demands its withdrawal <http://www.avgi.gr/artikle/10811/11264501/antithete-e-gsebee-sto-nomoschedio-gia-tis-poreies-kai-tis-diadloseis-zeta-ten-aposyrse-tou#>

86 Kathimerini (2020) The bill on demonstrations was voted in favor <https://www.kathimerini.gr/1086808/article/epikairothta/politikh/yperyhfishke-to-nomosxedio-gia-tis-diadhlwseis>

87 International Press Institute (2020). Greece urged to ensure fair and transparent media support scheme : <https://ipi.media/greece-urged-to-ensure-fair-and-transparent-media-support-scheme/>

COMPARISON TO THE COUNTRY SPECIFIC RECOMMENDATIONS

The 2020 country-specific recommendations for Greece mostly concern measures to combat the economic impact of Covid-19, but they also include measures to tackle persistent issues. Given the potential for further growth in already-existing disparities – both internal and between Greece and other EU member states – the European Commission welcomes the strengthening of the social safety net and the healthcare system, along with further measures targeting the most vulnerable.

A significant focus of the recommendations is better access to social protection for the most vulnerable people, which would address the concerns raised by the National Strategy Group. While approving of the increase in the healthcare budget and staff, the Commission insists that access barriers be addressed to avoid an increase in the risk of unmet medical needs, especially during a pandemic. It calls on Greece to reassess direct and informal payment and co-payment methods and to develop targeted healthcare measures for migrants, asylum seekers and low-income households. These concerns are in line with those of the NSG. The Commission also points out the need for additional measures to improve access to employment for young people and women, particularly through skills development and training programmes. Other recommendations, such as to improve access to affordable housing, are seen by the NSG as the best way to address in-work and energy poverty.

To address these accessibility concerns, the Commission recommends both introducing a minimum-income scheme and encouraging the participation of CSOs in the design and implementation of targeted measures. This corresponds to the NSG's requests to reduce the AROPE rate and improve social dialogue.

For the first time since 2014, the recommendations for Greece include employment protection measures. While the Commission indicates that more support is needed for teleworking and flexible working conditions, it also recommends tackling undeclared work. This could be a start towards ensuring quality employment and supporting better enforcement of labour standards, in line with the reporting of the NSG.

Yet there are divergences between the Commission recommendations and the NSG report. First, the Commission suggests limiting work hours to preserve employment, while the NSG highlights the links between part-time contracts and deteriorations in living conditions and in social mobility. Second, the NSG thinks that approval of tax deferrals could further weaken the welfare state in the long run and increase pressure on the most vulnerable, as it might lead to a decline in social expenditure. Lastly, the Commission's recommendations address neither gender-equality issues such as the gender pay and employment gaps, nor how to improve standard working conditions.



COUNTRY MONITOR: HUNGARY



SOLIDAR's National Strategy Group (NSG) in Hungary has reported deteriorations in both working and living conditions, which are resulting in a rise in poverty and inequalities. Recent amendments to the labour code are weakening collective bargaining and social-dialogue structures. Amidst labour authorities' decreasing administrative capacity, a reduction in employers' contributions to social security from 27% to 17.5% and the outbreak of Covid-19, the NSG indicated that workers have become more vulnerable to labour malpractices and that their access to welfare has been reduced. Access to the labour market

is uneven; social-protection expenditure has been reduced; and essential services face significant labour shortages. As a result, the NSG is concerned that access to welfare will become two-tiered, further limiting the quality of support provided to the most vulnerable. As a result, reductions in poverty and social exclusion have stalled, leaving 25% of households in Hungary below decent living standards. Furthermore, the obstruction of civic space is calling into question the freedoms of association, peaceful assembly and speech, and is favouring organisations with pro-government stances.

	2018	2019	EU-28 2019
Gini index ¹	28.7	25.1	30.1
Unemployment ²	3.7%	5.4%	6.3%
Gender Equality Index ³	51.9 (2019)	52.9 (2020)	67.9 (2020)
In-work poverty ⁴	8.5%	8.5%	9.2%
Housing Overcrowding ⁵	20.1%	20.3%	15.6%
CIVICUS Civic Space Monitor ⁶		OBSTRUCTED	N/A

Selected indicators on the state of social rights

1 Eurostat (2020). Gini coefficient of equivalised disposable income http://appsso.eurostat.ec.europa.eu/nui/show.do?lang=en&dataset=ilc_di12

2 Eurostat (2020). Unemployment by sex and age: annual data: https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_rt_a&lang=en

3 European Institute for Gender Equality (2020). Gender Equality Index <https://eige.europa.eu/gender-equality-index/2020/EE>

4 Eurostat (2020). In-work at-risk-of-poverty-rate <https://ec.europa.eu/eurostat/databrowser/view/tespm070/default/table?lang=en>

5 Eurostat (2020). Overcrowding rate by age, sex and poverty status – total population https://ec.europa.eu/eurostat/databrowser/view/ilc_lvho05a/default/table?lang=en

6 CIVICUS (2020). Civic space monitor – Hungary <https://monitor.civicus.org/country/hungary/>

EQUAL OPPORTUNITIES AND FAIR WORKING CONDITIONS

Before the Covid-19 outbreak, Hungary's economy was predicted to continue its annual 4% GDP growth.⁷ Yet, ever since the introduction of the flat labour income tax of 15% in 2016,⁸ the country has seen the European Union's sharpest decrease in tax-to-GDP ratio, which is currently 37.6%.⁹ The National Strategy Group (NSG), led by Progressive Hungary Foundation, has reported that this has had a negative impact on available expenditure, especially for social protection, which is currently 28.8% of the total budget.¹⁰ Within this context, employers' contributions to social security have been further reduced, from 27% to 17.5% in 2019,¹¹ shifting the burden of contribution onto employees. Given that the share of indirect taxes, especially on consumption, is already above the EU average, at 49.4% of total tax revenue,¹² taxation dynamics continue to put pressure on low-income earners. The tax cuts planned for 2020¹³ will further limit the possibility for social mobility, as shown by the NSG.

No particular measures tackling income inequality in Hungary were introduced in the year preceding the pandemic. Even though the income quintile share ratio has plateaued at 4.3,¹⁴ the rate has remained below the EU-27¹⁵ and OECD average¹⁶ since 2016. The Gini index currently stands at 30.6,¹⁷ which the NSG considers an improvement. Nevertheless, the NSG still raises concerns about the fact that the wealthiest 10% still own nearly 50% of the wealth in Hungary,¹⁸ while the poorest 50% collectively own 8.9%.¹⁹

At the start of 2020, the employment rate in Hungary stood above the EU average at 75.3%,²⁰ and unemployment remained at its lowest since 2010, at 3.4%.²¹ Nevertheless, participation in the labour market has not been equal, and social and regional inequalities persist. The Roma community, people with disabilities and women with care responsibilities have higher-than-average unemployment rates,²² and the controversial Public Works Scheme,

7 European Commission (2020) Taxation Trends in the European Union 2020 Edition https://ec.europa.eu/taxation_customs/sites/taxation/files/taxation_trends_report_2020.pdf

8 National Tax and Customs Administration (2017) Short Summary of the taxation of private persons in 2017 https://en.nav.gov.hu/taxation/taxinfo/summary_individuals.html

9 Eurostat (2020) Main national accounts tax aggregates https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=gov_10a_taxag&lang=en

10 Eurostat (2020) General government expenditure by function (COFOG) <https://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

11 European Commission (2020) Country Report Hungary 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0516&from=EN>

12 European Commission (2020) Taxation Trends in the European Union 2020 Edition https://ec.europa.eu/taxation_customs/sites/taxation/files/taxation_trends_report_2020.pdf

13 European Commission (2020) Country Report Hungary 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0516&from=EN>

14 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

15 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

16 Penzugyi Szemle (2019) Income inequalities: Hungary among the better <https://www.penzugyiszemle.hu/tanulmanyok-eloadasok/jovedelmi-egyenlotlensegek-magyarorszag-a-jobbak-kozott>

17 World Bank (2020) GINI Index (World Bank Estimate) – Hungary <https://data.worldbank.org/indicator/SI.POV.GINI?locations=HU>

18 Penzugyi Szemle (2019) Income inequalities: Hungary among the better <https://www.penzugyiszemle.hu/tanulmanyok-eloadasok/jovedelmi-egyenlotlensegek-magyarorszag-a-jobbak-kozott>

19 Hungarian National Bank (2019) What do we live from? Presentation of the first results of the 2017 household assets survey <https://www.mnb.hu/letoltes/vagyonfelmeres-2017-web.pdf>

20 Eurostat (2020) Employment and activity by sex and age – annual data <https://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

21 Eurostat (2020) Unemployment by sex and age – annual data <https://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

22 European Commission (2020) Country Report Hungary 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0516&from=EN>

the main employment programme, has failed to tackle this.²³ Only Western Transdanubia, Central Transdanubia and Central Hungary have unemployment rates under the national average, and Northern Great Plain and Southern Transdanubia have rates above 5%.²⁴ Furthermore, the current employment rates do not consider the shrinking workforce or the rising labour shortages in 2019, especially in the education, health and services sectors.²⁵

Progress towards gender equality remains slow, and persistent gaps are reported by the NSG. Hungary currently ranks second-to-last in the EU in the Gender Equality Index, with a low performance in ensuring equal access to political, economic and social power and in work-life balance.²⁶ After the loss of specific constitutional provisions in the 2011 constitution, the NSG is particularly concerned about the lack of targeted measures to bridge the growing gender pay gap, currently 11.2%,²⁷ and about the lack of political willingness of Prime Minister Orbán himself to address this inequality.²⁸ According to the NSG, political action is directed at encouraging women to have more children and strengthening family units. This has been pursued via tax benefits and housing support such as loans. Nevertheless, positive developments have been seen in labour-market inclusion through improvements in access to early childhood education, by increasing the number of available nursery places from 48,000 to 70,000.²⁹ The extension of

paternity leave to five days, with the option to extend it to two months,³⁰ along with reinforcement of grandparent care benefits,³¹ are seen by the NSG as measures contributing to the abovementioned goal.

As a result of a negative feelings in society and opposition from the Fidesz government, the NSG notes the cessation of all funding opportunities and programme initiatives intended to increase the inclusion of migrants and asylum seekers. The Hungarian government abolished integration contracts in 2016 and since 2018 has introduced constitutional amendments allowing it to refuse to offer international protection to people entering via a transit country considered safe.³² Despite regulatory provisions ensuring equal treatment, the NSG reports that asylum seekers and migrants continue to face significant challenges in accessing essential services such as health and employment.

EDUCATION

Educational attainment in Hungary is leading to higher employment rates, as reported by the NSG. The latest OECD report, Education at a Glance,³³ shows that people aged 25 to 64 with at least a secondary education have an employment rate of 84%. Even if there is no real difference in this regard between those without tertiary education and those with a bachelor's degree, a doctoral-level education elevates

23 ETUI (2020) Hungary: shrinking Public Work Scheme after reform <https://www.etui.org/covid-social-impact/hungary/hungary-shrinking-public-work-scheme-after-reform>

24 European Commission (2020) Country Report Hungary 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0516&from=EN>

25 Ibid

26 European Institute for Gender Equality (2019) Gender Equality Index score for Hungary for 2019 <https://eige.europa.eu/gender-equality-index/2019/HU>

27 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

28 Sarolata, Szekely (2019) The pay gap is worsening: the average salary of women is HUN 45,000 less than that of men <https://piacesprofit.hu/gazdasag/hizik-a-berszakadek-45-ezerrel-kevesebb-a-nok-atlagfizetese-a-ferfiakenal/>

29 Eduline (2018) A call for tenders supporting the development of municipal crèches in Pest County has been published, said the State Secretary of the Ministry of Finance (PM) responsible for the use of EU funds. http://eduline.hu/kozoktatasi/bolcsodei_ferohelyek_szamanak_novelese_RGWJ5O

30 HR Portal Hungary (2020) This is how maternity leave will change from 2020 onwards <https://www.hrportal.hu/hr/igy-valtozik-a-szulesi-szabadsag-2020-tol-20191128.html>

31 Családvédelmi Akcióterv (2020) Introduction of Grandparent GYED <https://csalad.hu/tamogatasok/7-nagyszuloi-gyed-bevezetese>

32 Human Rights Watch (2019) World Report: European Union Events 2018 <https://www.hrw.org/world-report/2019/country-chapters/european-union#fa79c3>

33 OECD (2019) Education at a Glance 2019 Country Note: Hungary <https://www.oecd-ilibrary.org/docserver/bf9d4a08-en.pdf?expires=1597996756&id=id&accname=guest&checksum=99CA5707810A90838F9EDDC5B7F7C354>

employment prospects: doctorate holders have an employment rate of 96% in Hungary, above the OECD average of 92%.³⁴

Nevertheless, the labour market's demand for high-skilled workers clashes with the low level of enrolment in tertiary education. The share of tertiary education attainment amongst people aged 30 to 34 is 33.4%, lower than the OECD and EU averages.³⁵ Gender disparities can be seen too: 83% of women graduates aged 34 to 44 were employed, 15 percentage points below the rate for their male counterparts.³⁶ This is despite 37% of women aged between 25 and 34 completing university studies, in comparison to only 25% of men.³⁷

The NSG also reports low performance in vocational training, with only 20% of first-time graduates opting for this secondary-level education option, below the EU and OECD averages.³⁸ This might be due to the lower employment rate of young vocational-training graduates – 23 percentage points below that of people who have graduated from general secondary education. The new government's Vocational Education and Training 4.0 strategy is expected to tackle this issue.

Improvement in early-years education participation has seen a significant rise in recent years thanks to the development of infrastructure. The enrolment rate for three-year-olds has reached 99%, but participation of those between the ages of three and five has dropped to 86%.³⁹ Shortages in funding per child in early-years education are another concern raised by the NSG with regards to the quality of this service.

GOOD PRACTICE

In the Brussels-Capital Region, the The EU-funded Biztos Kezdet Gyerekház (Safe Start Childhouse) programme provides support for vulnerable children in struggling regions to assure individual children's development and make it easier for parents to work. The programme adapts its holistic service to local needs in order to provide adequate child welfare. It allows schools to develop bottom-up initiatives to contribute to the programme.

Severe shortcomings that might affect the impact education has on social mobility are also reported. The latest PISA report demonstrated that underachievement in basic skills in Hungary is amongst the highest in the EU. Participation in secondary education is 85%, and the early leaving rate, currently 11.8%,⁴⁰ does not seem to be improving. It disproportionately affects Roma communities and disadvantaged learners. In light of this situation, the NSG is concerned by the shortage of teachers and their low salaries, which have not been corrected since 2013 and further dropped in 2019 relative to average pay in the country.⁴¹ Compounding this shortage has been a lack of digital infrastructure to provide e-learning during the confinement. The NSG reported that as many as 750,000 students in the past three months could not take part in online education via digital equipment at home.⁴²

34 OECD (2019) Education at a Glance 2019 Country Note: Hungary <https://www.oecd-ilibrary.org/docserver/bf9d4a08-en.pdf?expires=1597996756&id=id&accname=guest&checksum=99CA5707810A90838F9EDDC5B7F7C354>

35 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

36 OECD (2019) Education at a Glance 2019 Country Note: Hungary <https://www.oecd-ilibrary.org/docserver/bf9d4a08-en.pdf?expires=1597996756&id=id&accname=guest&checksum=99CA5707810A90838F9EDDC5B7F7C354>

37 Ibid.

38 Ibid.

39 Ibid.

40 OECD (2019) Education at a Glance 2019 Country Note: Hungary <https://www.oecd-ilibrary.org/docserver/bf9d4a08-en.pdf?expires=1597996756&id=id&accname=guest&checksum=99CA5707810A90838F9EDDC5B7F7C354>

41 European Commission (2020) Country Report Hungary 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0516&from=EN>

42 Qubit.hu (2020) Masses of school-age children were left out of education during quarantine <https://qubit.hu/2020/06/16/iskolas-koru-gyerekek-tomegei-maradtak-ki-az-oktatásból-a-karantén-idején>

WORKING CONDITIONS

Despite a rise in the minimum wage to HUF 149,000,⁴³ roughly EUR 487,⁴⁴ working conditions in Hungary have taken a turn for the worse following the changes to the Labour Code and the impact of the so-called “slave law”, according to the NSG. The new act allows employers to delay payment for overtime work for up to three years. They can do this unilaterally, without the need to consult or receive the approval of trade unions,⁴⁵ which have already been hit hard by the loss of the right to collective bargaining.⁴⁶ Unions have carried out a wave of protests and are continuing to call for revision of the new labour code. Amongst other topics, they want to extend social dialogue forums to cover a wider set of topics of interest to employees. They are demanding adequate wages. And they want a reintroduction of support for disadvantaged and disabled workers.⁴⁷

The NSG specifically highlights working conditions in the education and health sector and points to the frustration expressed in a wave of mobilisations throughout 2019. Vocational training teachers are, as of the end of 2019, excluded from the public employee system. This development creates uncertainties over rights and benefits,⁴⁸ which the NSG doubts will be addressed through the wage compensation measures the government has promised. Similar concerns were raised for the healthcare and social-service sectors, yet their strike action was limited by obligations to cover minimum services.⁴⁹

Amongst the most pressing issues, the NSG included the vulnerability of employers even before the outbreak of Covid-19. Precariousness in Hungary is greatly influenced by the reduction of employers’ contributions to social security, the decreasing capacity for inspection by the Hungarian administration, and the reliance on short-term contracts.⁵⁰ In the context of a reported one in two workers affected by labour rights violations, undeclared work affects almost 15% of the adult population. It is concentrated among young people and social minorities, as well as in certain sectors: the construction sector accounts for 8% of total cases, trade for 10% and hospitality for 13%.⁵¹

IMPACT OF COVID-19

With the outbreak of Covid-19 and the activation of the preventive measures in March 2020, Hungary is expected to experience a 7% reduction in GDP in 2020. Reacting to this significant socio-economic impact, the government mobilised HUF 208.6 billion through cancellations of tax and social security contributions from certain sectors and businesses.⁵² To protect the loss of wages, the government introduced a scheme through which it would fund up to 70% of a worker’s lost wages over three months. Yet the NSG reports that this measure contrasts with the loss of protection of labour standards, as it reports that the Labour Code has been partially derogated and a planned cut to employer social security contributions has been brought forward.

43 Ministry of Finance (2018) Minimum wage to increase to HUF 149,000 next year <https://www.kormany.hu/en/ministry-for-national-economy/news/minimum-wage-to-increase-to-huf-149-000-next-year>

44 European Commission (2020) Disparities in minimum wages across the EU <https://ec.europa.eu/eurostat/web/products-eurostat-news/-/DDN-20200203-2>

45 Attila, Marias (2019) Changes to the Labor Code from 1 January 2019 <http://munkaugyiportal.hu/1336-2/>

46 Eurofound (2020) Living and working in Hungary <https://www.eurofound.europa.eu/country/hungary#collective-bargaining>

47 Zlotan, Kovacs (2019) Demonstrations and roadblocks all over Hungary https://index.hu/english/2019/01/19/hungary_braces_for_road_blocks_strikes_and_even_more_protests/

48 Eurofound (2020) Living and working in Hungary <https://www.eurofound.europa.eu/country/hungary#collective-bargaining>

49 Ibid.

50 Dora, Varga (2019) Despite labor shortages, more and more people are working undeclared https://nepszava.hu/3054046_hiba-a-munkaerohiany-egyre-tobb-ember-dolgozik-feketen

51 Ibid.

52 European Commission (2020) Economic forecast for Hungary https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-performance-country/hungary/economic-forecast-hungary_en

As a result of the economic crisis, unemployment has risen from 3.6 % at the start of 2020 to 4.8%.⁵³ The NSG indicates that 68,000 unemployed people have been surviving on

minimum social benefits and around 152,300 have not been receiving any kind of financial support.^{54 55}

SOCIAL PROTECTION AND INCLUSION

The National Strategy Group (NSG) considers the ongoing poverty in Hungary as a pressing issue for 2020, as it is expected to worsen with the loss of income due to the socio-economic crisis caused by the Covid-19 pandemic. Even though living conditions have been slowly improving since 2013, the decrease in the rate of people at risk of poverty or social exclusion (AROPE) has slowed since 2018 to the current 18.9%⁵⁶. Based on Policy Agenda's estimations that a monthly, or EUR 284, is required for an individual to have a modest standard of living, 25% of households in Hungary are situated below this threshold.⁵⁷ The NSG further indicates that the rate of severe material deprivation at 8.7%,⁵⁸ above the EU average, is still worrying and disproportionally affects households with more children, single parents and the Roma community. Furthermore, poverty continues to be territorially concentrated in South Transdanubia, North Great Plain and North Hungary, with AROPE rates at around

25%.⁵⁹ This situation was expected to be tackled by a 2019 programme focusing on the 300 least-developed municipalities.⁶⁰ Improvements in living conditions have been compromised by the continuous reduction of social expenditure since 2013, to 46.7% of Hungary's GDP.⁶¹ In addition, the impact of social transfers before the pandemic outbreak had drastically decreased since 2018.⁶² These transfers, a majority of which are linked to family benefits, currently reduce poverty by 38.5%, compared with 48.8% in 2018.⁶³ In this context, a lack of targeted measures for in-work poverty⁶⁴ leaves the 8.4%⁶⁵ affected by in-work poverty more vulnerable. Furthermore, calculating the minimum adequate level of social protection remains challenging in the eyes of the NSG due to a lack of statistical provisions from the National Statistical Office. As reported by the NSG, independent organisations must then rely on estimates for their calculations, complicating the issuing of policy recommendations.

53 Eurostat (2020) Unemployment by sex and age – monthly data https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_rt_m&lang=en

54 Budapest Business Journal (2020) Hungary 3-month average jobless rate edges up to 3.8% in April https://bbj.hu/economy/hungary-3-month-avg-jobless-rate-edges-up-to-38-in-april_183543

55 Budapest Business Journal (2020) 69,000 more Hungarians register as jobseekers in April https://bbj.hu/economy/69000-more-hungarians-register-as-jobseekers-in-april_183151

56 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

57 Policy Agenda (2018) The Subsistence Minimum and Social Minimum in 2017 https://www.fes-budapest.org/fileadmin/user_upload/dokumente/pdf-dateien/EnglishSummary20180531.pdf

58 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

59 European Commission (2020) Country Report Hungary 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0516&from=EN>

60 European Commission (2020) Country Report Hungary 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0516&from=EN>

61 Eurostat (2020) General Government expenditure by function (COFOG) <https://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

62 European Commission (2020) Country Report Hungary 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0516&from=EN>

63 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

64 Albert, Fruzsina (2019) In-work poverty in Hungary <https://ec.europa.eu/social/BlobServlet?docId=21109&langId=en>

65 Eurostat (2020) In work at-risk-of-poverty rate by age and sex – EU-SILC survey <http://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

The NSG expects the impact on living conditions of Hungary's National Energy and Climate Plan (NECP) to be limited, as energy poverty is not part of its agenda. Low-income households continue to dedicate a minimum of 16% of their disposable income to energy costs,⁶⁶ and 6.1% of the population are unable to keep their homes adequately warm.⁶⁷ The NECP superficially references the need to assist these vulnerable households,⁶⁸ yet provides no indications on how this will be done. Furthermore, the NSG denounces the lack of support for the modernisation of the energy infrastructure of residential buildings, as funding for renewable energy infrastructure such as solar energy panels is only provided to corporations.⁶⁹ As a result, the NSG reports that low-income households will continue to burn waste and wood grave consequences for both their health and the environment. Yet, some quality-of-life improvements are expected from this transition plan, especially thanks to investment in sustainable transport options, targets for air pollution reduction and the improvement of waste-management systems.⁷⁰

HEALTHCARE

Despite Hungary ranking as an upper-middle performer in terms of self-reported unmet medical needs,⁷¹ the NSG reports significant barriers for low-income households, asylum seekers and Roma to access affordable,

quality healthcare. With health expenditure amounting to 4.7% of GDP,⁷² the state healthcare system is increasingly dependent on out-of-pocket expenditure, which currently makes up 26.9% of the total.⁷³ As the public system is the only healthcare option for the above-mentioned vulnerable groups, the NSG considers that co-payment effectively excludes them from coverage and increases the risk of a two-tier system where health performance is determined by individual financial capacity, gender and educational level. This situation is further worsened by the growing number of nurses and doctors who emigrate to seek employment with better working conditions.⁷⁴ The resulting labour shortage in healthcare leaves the provision of primary care in a critical condition. There are strong regional disparities, given the fact that poor counties such as Tolna, Békés and Nógrád report higher rates for a given population of unfilled positions for general practitioners than the rest of the country.⁷⁵

The Covid-19 pandemic has placed an additional pressure on the healthcare system. The NSG reported that primary care unrelated to Covid-19 was effectively halted and critically-ill patients who were not at risk of Covid were sent home to free up a minimum of 68,000 hospital beds for Covid-patients. Human Rights Watch denounced the government's decision, as it impeded the constant care that some of the patients needed and it did not take into account the concerns of healthcare professionals.⁷⁶

66 European Commission (2020) Country Report Hungary 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0516&from=EN>

67 EU Energy Poverty Observatory (2020) Indicators and Data: Inability to keep home adequately warm <https://www.energy-poverty.eu/indicator?primaryId=1460&type=line&from=2004&to=2019&countries=HU&disaggregation=none&comparisonId=1461>

68 Ministry for Innovation and Technology (2020) National Energy and Climate Plan https://ec.europa.eu/energy/sites/ener/files/documents/hu_final_necp_main_en.pdf

69 Ministry for Innovation and Technology (2020) Climate and Nature Protection Action Plan consists of eight points <https://www.kormany.hu/en/ministry-for-innovation-and-technology/news/climate-and-nature-protection-action-plan-consists-of-eight-points>

70 Ibid.

71 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

72 Eurostat (2020) General Government expenditure by function (COFOG) <https://appsso.eurostat.ec.europa.eu/nui/submitView-TableAction.do>

73 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer>

74 GKI (2019) The situation of health care in Hungary in international comparison <https://www.gki.hu/wp-content/uploads/2019/05/GKI-Az-eg%C3%A9szs%C3%A9g%C3%BCgy-helyzete-20190409.pdf>

75 European Commission (2020) Country Report Hungary 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0516&from=EN>

76 Montalto Monella, Lillo (2020) Coronavirus: Nine die in Hungary after being ejected from hospital to free space for COVID-19 <https://www.euronews.com/2020/05/07/coronavirus-nine-die-in-hungary-after-being-ejected-from-hospital-to-free-space-for-covid>

ACCESS TO AFFORDABLE AND ADEQUATE HOUSING

Hungary's recent economic growth has not led to an improvement in access to affordable quality housing, as signalled by the NSG. Prompted by a rise in wages, government subsidies, foreign investment and speculation, housing prices are increasing by 7.7% per year, especially in Budapest, where the house-price-to-income ratio is much higher than elsewhere.⁷⁷ Without an accessible public housing system, affordable quality housing is out of the question for the many people overburdened by such increases in prices. One in three households in Hungary spend more than 40% of their monthly income on housing costs and between 2 million and 3 million people are experiencing housing poverty to varying degrees.⁷⁸ Vulnerability to this rise in housing costs is higher in the private rental sector, where a lack of adequate regulation further exposes such households to housing precariousness. Furthermore, 7.5% of Hungarians are living in inadequate housing,⁷⁹ and 79% of

existing real estate does not fully follow technical and energy standards.⁸⁰ The severity of the problem of inadequate housing is higher in rural areas far from essential services and employment opportunities.⁸¹ Given this situation, the NSG denounces a lack of adequate housing support, as the existing scheme not only favours the middle class, but also encourages only ownership of newly built units.⁸² This leaves little support for housing renovation and excludes any support for renting.⁸³

In addition, 2019 estimations show that around 2,300 people are living rough in public spaces, and 6,268 are living in homeless hostels, with the most common reason the lack of affordable social housing.⁸⁴ Despite the recent criminalisation of homelessness, Hungary lacks specific measures to tackle this issue, as can be seen from the drafting of the wider inclusion strategy.⁸⁵ The NSG points out the absence of sufficient means and the overreliance on policing to combat homelessness, as well as the inadequacy of existing welfare benefits to provide access to affordable housing.

77 Montalto Monella, Lillo (2020) Coronavirus: Nine die in Hungary after being ejected from hospital to free space for COVID-19 <https://www.euronews.com/2020/05/07/coronavirus-nine-die-in-hungary-after-being-ejected-from-hospital-to-free-space-for-covid>

78 Housing for Humanity (2019) Annual Report on Housing Poverty 2019 https://habitat.hu/sites/lakhatasi-jelentes/wp-content/uploads/sites/5/2019/11/hfh_h_lakhatasi_jelentes_2019.pdf

79 European Commission (2020) Country Report Hungary 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0516&from=EN>

80 Housing for Humanity (2019) Annual Report on Housing Poverty 2019 https://habitat.hu/sites/lakhatasi-jelentes/wp-content/uploads/sites/5/2019/11/hfh_h_lakhatasi_jelentes_2019.pdf

81 Ibid.

82 Ibid.

83 European Commission (2020) Country Report Hungary 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0516&from=EN>

84 Baptista, Isabel and Marlier, Eric (2019) Fighting homelessness and housing exclusion in Europe: A study of national policies <https://op.europa.eu/en/publication-detail/-/publication/2dd1bd61-d834-11e9-9c4e-01aa75ed71a1/language-en>

85 Ibid.

CIVIC SPACE

Civic space in Hungary, considered as obstructed by CIVICUS,⁸⁶ continues to shrink. The country was categorised by Freedom House as partly free for the second year in a row.⁸⁷ The National Strategy Group signals that official and informal developments concerning civic space are calling into question the freedoms of association, peaceful assembly and speech.

The government is continuing its hostile rhetoric towards civil-rights and refugee-support organisations, which the NSG believes is creating an environment of fear towards any civic space activity outside the traditionally accepted areas.⁸⁸ Veronika Móra, director of Ökotár and a prominent figure in the Hungarian civic organisation sector, denounced the psychological threats to the freedom of association and how they are limiting the organic development of civic space.⁸⁹ Furthermore, the 2017 law requiring NGOs to publish information on foreign donors was recently found to breach EU law, as the European Court of Justice ruled that it established differential treatment for national and foreign NGOs.⁹⁰

The recent restriction on freedom of peaceful assembly follows state-of-emergency measures banning physical demonstrations to contain the spread of Covid-19. During confinement, protestors could only make use of online spaces.⁹¹ Nevertheless, additional legislation prior to the pandemic had already provided the police force with new powers to disperse

protests, limiting freedom of assembly.⁹²

The NSG reports a significant deterioration in freedom of speech as a result of the government's continuing side-lining of critical voices and its favourable treatment of pro-government media. In a recent fact-finding mission, the Council of Europe found that media were being concentrated around the Central-European Press and Media Foundation (KEMSA) and that media were increasingly cooperating with the government. This was seen as a long-term threat to freedom of speech, discouraging open criticism of the government. With parliamentary approval of rule by decree during the state of emergency, the Fidesz government criminalised the spread of fake news about the pandemic, an act that is now punishable by up to five years in prison. Yet critics believe this is an additional attempt to censor independent media analysis of the government's management of the crisis.⁹³ The most recent case of erosion of media freedom was the dismissal of the Szabolcs Dull, who has been critical of the government, after a change in the management of the media outlet.⁹⁴

As for social dialogue in Hungary, the NSG considers that the participation of civil society organisations (CSOs) remains limited since the 2010 reorganisation of the social dialogue structures. Péterné Boros, President of the Trade Union of Hungarian Civil Servants, Civil Servants and Public Service Workers, points out that CSOs are forced to either participate in

86 CIVICUS (2020) CIVICUS Monitor: Hungary <https://monitor.civicus.org/country/hungary/>

87 Freedom House (2020) Freedom in the world 2020: Hungary <https://freedomhouse.org/country/hungary/freedom-world/2020>

88 Zsuzsa, N. Vadasz (2019) Freedom of Association: Intimidation hovers over the civil sector <https://hirklukk.hu/kozelet/az-egyese-sules-szabadsaga-a-megfelemlites-ott-lebeg-a-civil-szektor-felett/354806>

89 New Europeans (2019) Interview with Veronika Móra, Director of Ökotárs, Civilisation network, Hungary <https://neweuropeans.net/article/2888/interview-veronika-m-ra-director-kot-rs-civilization-network-hungary>

90 CIVICUS (2020) CIVICUS Monitor Watch List <https://monitor.civicus.org/watch-list/>

91 Vass, Abraham (2020) Hefty Policy Fines Force Demonstrators to Cease Car-Honking Protests <https://hungarytoday.hu/hefty-police-fines-force-demonstration-cease-car-honking-protests/>

92 Freedom House (2020) Freedom in the world 2020: Hungary <https://freedomhouse.org/country/hungary/freedom-world/2020>

93 CIVICUS (2020) CIVICUS Monitor Watch List <https://monitor.civicus.org/watch-list/>

94 CIVICUS (2020) Hungary: CIVICUS calls on the Orbán government to stop interference within independent media <https://www.civicus.org/index.php/media-resources/media-releases/4531-hungary-civicus-calls-on-the-orban-government-to-stop-interference-within-independent-media>

the weakened system or abandon all negotiation structures.⁹⁵ The NSG considers the 2018 minimum wage negotiations as an example of such a deterioration, as consultations were halted after a first round, and the contribution of

CSOs was limited to the final decision taken in 2019.⁹⁶ To address this concern, the NSG calls for an end to the domination of pro-government organisations in these structures and for the restoration of trust in each of the social partners.

COMPARISON WITH THE COUNTRY SPECIFIC RECOMMENDATIONS

The 2020 European Semester Country-specific Recommendations for Hungary focus on addressing the social and economic impact of the Covid-19 pandemic. In doing this, the European Commission showed the need to address systemic shortcomings in healthcare, education and access to social services. The picture painted by the Commission closely resembles that drawn up by the National Strategy Group, and it responds to the NSG's concerns regarding two-tier social protection systems and the increase in regional disparities.

Amongst other points made under the recommendations, directing additional investment towards preventive and primary care, digital

infrastructure, and the adequacy of social aid will help build up the resilience of Hungary's social protection system, which the NSG has indicated is necessary. To address concerns over civil society, the Commission points out the need to reinstate effective social dialogue and limit extraordinary measures to those that are strictly necessary. Even so, these should not address constraints on freedom of association, peaceful assembly and speech. Despite the understandable focus on the Covid-19 impact, the recommendations fall short in not sufficiently addressing persisting income inequalities, deteriorating working and living conditions and the need to further develop just transition and energy-poverty alleviation plans.

95 Dora, Varga (2020) Trade unions want a European minimum wage https://nepszava.hu/3068053_europai-minimalbert-szeretnek-a-szakszervezetek

96 Ibid.



solidar



COUNTRY MONITOR: ITALY



Not yet recovered from the 2008 economic crisis, Italy has been severely hit by the Covid-19 pandemic. The National Strategy Group (NSG) observes that the current emergency has highlighted the weaknesses and shortcomings of the current policies on access to the labour market, equal opportunities and social inclusion. Due to the pandemic, the government has decided to temporarily suspend labour legislation and introduce extraordinary measures to guarantee social protection to 7.8 million workers¹ suspended from work, showing the inadequacy of the existing social safety net. However, the Covid-19 crisis also created momentum for advancing long-needed measures, such as the regularization of irregular immigrants working in specific sectors (e.g., agriculture). Though the NSG considers this change insufficient, it goes in the direction of an improvement in social and labour integration. Overall, problematic trends from previous years continue. The youth-unemployment

rate is still one of the highest in the European Union, at 29.2% in 2019.² In addition, in 2019 Italy was the EU country with the highest rate of NEETs (people not in education, employment or training): 18% of youths aged 15 to 24, according to Eurostat.³ Precariousness is one of the most persistent issues of the Italian labour market, and it affects mainly youth and women. Furthermore, the NSG considers Italy's institutional efforts to prepare a green transition inadequate and underlines the necessity of a clear strategy, in accordance with the Country Specific Recommendations of 2019.⁴ The great territorial divide and the ageing of the population are themes that transversally characterize the above-described picture. Among its more positive notes, the National Strategy Group in Italy mentions the *Reddito di Cittadinanza* [Citizenship Income] as a first measure to support the population in absolute poverty, as well as the reduction of labour taxes approved by the government in 2019.

1 Consulenti del Lavoro (2020) 7,8 mln di lavoratori a casa con il DPCM 22 marzo 2020 <http://www.consulentidellavoro.it/index.php/home/storico-articoli/12338-7-8-mln-di-lavoratori-a-casa-con-il-dpcm-22-marzo-2020>

2 Eurostat (2020) Youth unemployment rate by sex, age and country of birth <https://appsso.eurostat.ec.europa.eu/nui/submitView-TableAction.do>

3 Eurostat (2020) Young people aged 15-24 neither in employment nor in education and training (NEET), by sex - annual data https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfsi_neet_a&lang=en

4 European Commission (2019) Country Specific Recommendation Italy 2019 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52019DC0512&from=EN>

	2018	2019	EU-28 2019
Gini index ⁵	33.4	32.8	30.7
Unemployment ⁶	10.6%	10.0%	6.3%
Gender Equality Index ⁷	63.0 (2019)	63.5 (2020)	67.9 (2020)
In-work poverty ⁸	12.3%	11.8%	9.2%
Housing Overcrowding ⁹	27.8%	28.3%	15.6%
CIVICUS Civic Space Monitor ¹⁰		NARROWED	N/A

Selected indicators on the state of social rights

EQUAL OPPORTUNITIES AND ACCESS TO THE LABOUR MARKET

Income inequality in Italy is one of the highest in the EU, as reflected by its high Gini coefficient, which increased further in 2018, describing a more uneven distribution of income in the country.¹¹ Although Italy's tax-and-benefits system is one of the most ineffective in the EU, it is the main tool of mitigation of inequality, and it especially benefits pensioners.¹² In this context, the reduction of fiscal pressure on workers represents a positive development for 2020, according to the National Strategy Group. In fact, as a consequence of the approval of the Law Decree 5 February 2020 No. 3, workers with an annual income below EUR 28,000 will earn EUR 600 more in the last six months of 2020 and EUR 1,200 more in 2021.¹³

The new measure is an important step towards the reduction of fiscal inequalities that penalise workers. These result from widespread tax avoidance or evasion: the estimated tax gap was around EUR 108 billion¹⁴ in 2017.

Unemployment has been decreasing since 2012 and stood at 9.7% in August 2020. Despite a trend of increasing unemployment in the euro area, unemployment in Italy is lower than it was in 2019. However, the rate remains higher than the current average in the euro area.¹⁵ In addition, the rate of long-term unemployment in Italy is one of the highest among OECD countries,¹⁶ showing the difficulty of re-accessing the labour market. Two

5 Eurostat (2020). Gini coefficient of equivalised disposable income: http://appsso.eurostat.ec.europa.eu/nui/show.do?lang=en&dataset=ilc_di12

6 Eurostat (2020). Unemployment by sex and age: annual data: https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_rt_a&lang=en

7 European Institute for Gender Equality (2020). Gender Equality Index: <https://eige.europa.eu/gender-equality-index/2020/country/IT>

8 Eurostat (2020). In-work at-risk-of-poverty-rate: <https://ec.europa.eu/eurostat/databrowser/view/tespm070/default/table?lang=en>

9 Eurostat (2020). Overcrowding rate by age, sex and poverty status – total population: https://ec.europa.eu/eurostat/databrowser/view/ilc_lvho05a/default/table?lang=en

10 CIVICUS (2020). Civic space monitor - Italy: <https://monitor.civicus.org/country/italy/>

11 European Commission (2020) Country Report Italy 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0511&from=EN>

12 Ibid.

13 Decree Law 5 February 2020, No. 3 <https://www.gazzettaufficiale.it/eli/id/2020/02/05/20G00013/sg>

14 Ministry of the Economy and Finance (2020) Documento di Economia e Finanza 2020 – Nota di Aggiornamento http://www.dt.mef.gov.it/modules/documenti_it/analisi_programmazione/documenti_programmatici/nadef_2020/Relazione_evasione_fiscale_e_contributiva_Allegato_NADEF_2020.pdf

15 Eurostat (1 October 2020) Euro area unemployment at 8.1% <https://ec.europa.eu/eurostat/documents/2995521/10663603/3-01102020-AP-EN.pdf/f45c24be-3304-e6b7-80c8-04eae7529519>

16 OECD (2019) Long-term unemployment rate <https://data.oecd.org/unemp/long-term-unemployment-rate.htm>

new policies have been introduced recently with the objective of strengthening the welfare system: the Reddito di Cittadinanza, RdC [Citizenship Income], which in 2019 replaced the Reddito di Inclusione (REI) [Income for Inclusion], which had been active since 2018; and the Assegno di natalità [Birth allowance], also called the “baby bonus”. The RdC aims to support citizens experiencing severe economic hardship and is combined with a job and a path to social reintegration.¹⁷ However, the job reintegration aspect has been more fully implemented than the social reintegration one, according to the National Strategy Group. The RdC has stricter cross-compliance rules, but it provides larger benefits than the REI and is provided to a wide number of recipients – almost 1.5 million.¹⁸ The critical points of the RdC concern the application of criteria that discriminate against large household and foreigners. Nevertheless, it tries to respond to the needs of the almost 5 million people affected by absolute poverty in 2019.¹⁹ The introduction of the Assegno di natalità increased the number of recipients over the previous birth allowance but shortened the period of eligibility, from three years to one from the time of birth, adoption or pre-adoptive fostering. The allowance is also available - albeit with a more limited amount- to families that have an annual income above EUR 40,000. The measure also provides an allowance 20% higher for every child that is born, adopted or fostered after or in parallel with the first child.²⁰

The government has approved a set of additional measures to tackle the consequences of the Covid-19 pandemic, focusing on three main areas: support for workers’ incomes, support for citizens in need excluded from other forms of assistance, and support for care givers in response to the closing of educational and care services. Around 12 million citizens

have benefitted from these extraordinary actions. In addition to these forms of support, regional governments have introduced other measures within their competences. The NSG highlights that all the measures mentioned so far are merely financial and fail to provide adequate responses to the needs of more-integrated social services.

GOOD PRACTICE

HABITAT MICROAREE

The Project Habitat Microaree²¹ was realised for the first time in 1998 by the Municipality of Trieste together with Azienda Sanitaria (the local branch of the public healthcare provider) and ATER (the public organization in charge of public housing). Its objective is to improve the life conditions of people living in particularly deprived urban areas. The project aims to promote the active participation of the local population, improve people’s living conditions and health, strengthen prevention and care services for vulnerable categories and foster collaboration among local residents. Civil society organizations and citizens are actively involved in the project.

The project’s main activities are socio-cultural events organized in spaces open to the public with the objective of increasing the cohesion of local communities. Moreover, a series of help desks have been opened in the areas, with the function of providing information and support for living, health and care needs. Volunteering initiatives and public events have also been organized – albeit less frequently – in the framework of Habitat Microaree activities.

17 Ministry of Labour and Social Policies (2020) Reddito di Cittadinanza <https://www.redditicittadinanza.gov.it/>

18 INPS (2020) Osservatorio Reddito/Pensione di Cittadinanza e REM: dati al 6 ottobre <https://www.inps.it/nuovoportaleinps/default.aspx?itemdir=54288>

19 Istat (2020) Rapporto povertà 2019 https://www.istat.it/it/files/2020/06/REPORT_POVERTA_2019.pdf

20 INPS (2020) Assegno di natalità (Bonus Bebè) per i nati nel 2020 <https://www.inps.it/nuovoportaleinps/default.aspx?itemdir=53458>

21 Trieste Municipality (2020) Habitat Microaree <http://habitatmicroaree.comune.trieste.it/il-progetto/>

EDUCATION AND YOUTH UNEMPLOYMENT

Italy faces an emergency in terms of educational poverty and education failure, which are among the root causes of poor intergenerational social mobility. Despite the Country Specific Recommendations issued by the European Commission in 2019, which stressed the need to improve educational outcomes and upskilling,²² the National Strategy Group does not see any progress with respect to education in 2020. The Italian educational situation is marked by a dramatic regional divide that has led to wide differences in terms of qualifications and skills, with the north outperforming the south.²³ This applies also to the early school-leaving rate, which is significantly higher in the south and the islands (19%) than in the north (11%).²⁴ Overall, 62.2% of people in Italy aged between 25 and 64 have at least an upper secondary-school diploma,²⁵ 16.5 percentage points²⁶ less than the EU average. In addition, 19.6% of people in Italy have a university degree, compared with an EU average of 33.2%.²⁷ Moreover, Italy's PISA score for 2018 was below the OECD average in all the three categories of school performance for 15-year-old students: reading, mathematics and science.²⁸ In the light of these trends, the government has allocated substantial funds to reduce inequalities by strengthening territorial cohesion and fostering meritocracy within the national educational system. For the seven-year period from 2014-2020, EUR 3 billion were assigned through the PON (National Operational Plan) and POR (Regional Operational Plan).²⁹ In addition, in 2016 the Fondo per il contrasto della povertà educativa minorile [Fund to tackle educational poverty affecting minors] was

created through a partnership between the public sector and some private actors with the aim of tackling educational poverty affecting minors in Italy.³⁰ In spite of this strong financial support, the NSG stresses that educational poverty is still a serious issue and underlines the need for a more systemic approach that overcomes the fragmentation of interventions, which is a root cause of the poor national results. The National Strategy Group strongly encourages the Italian government to design a new national strategy to programme investment and structural funds with the objective of tackling poverty. The programming should be guided and implemented by an inter-institutional working group composed of experts in the field and accompanied by a permanent dialogue and collaboration with civil society organizations and social partners.

GOOD PRACTICE

FONDO PER IL CONTRASTO DELLA POVERTÀ EDUCATIVA MINORILE

The Fondo per il contrasto della povertà educativa minorile³¹ is a national initiative created in 2016 aimed at removing any social, economic or cultural obstacles that prevent minors from having full access to educational services. The fund was realised thanks to an agreement between Acri (the national association gathering all foundations of banking origin) and the government, with the collaboration of the National Forum of the Third Sector. It is implemented through tenders managed by the social enterprise Con i Bambini, with high attention to transparency and reporting. The scope

22 European Commission (2019) Country Report Italy 2019 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0511&from=EN>

23 European Commission (2018) Education and Training Monitor Italy https://ec.europa.eu/education/sites/education/files/document-library-docs/et-monitor-report-2019-italy_en.pdf

24 European Commission (2019) Education and Training Monitor Italy https://ec.europa.eu/education/sites/education/files/document-library-docs/et-monitor-report-2019-italy_en.pdf

25 Eurostat, 2020: <https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=tps00065&plugin=1>

26

27 Istat (2020) Livelli di istruzione e ritorni occupazionali – Report 2019 <https://www.istat.it/it/files/2020/07/Livelli-di-istruzione-e-ritorni-occupazionali.pdf>

28 OECD (2018), PISA 2018 results <https://www.oecd.org/pisa/publications/pisa-2018-results.htm>

29 Ministry of Education, Ministry of University and Research (2018) https://www.miur.gov.it/pon_2014-2020

30 Con i Bambini, Contrasto della povertà educativa minorile <https://www.conibambini.org/contrasto-alla-poverta-educativa-minorile/>

31 ACRI (2020) Fondo per il contrasto della povertà educativa minorile <https://www.acri.it/2020/02/10/fondo-per-il-contrasto-della-poverta-educativa-minorile-2/>

of the fund covers the whole country and progressively involves all age groups from early childhood to adolescence (0-17 years). In the three-year period 2016-2018, Acri members fed the fund approximately EUR 360 million. The 2019 Budget Law confirmed financing for the fund over the following three-year period (2019-2021), providing EUR 55 million of annual tax credits that apply to 65% of donations by foundations of banking origin. Projects that have been approved by the fund steering committee reached 480,000 children and youngsters.

The critical state of education is accompanied by a high youth unemployment rate. At 29.2%,³² Italy's youth unemployment rate is one of the EU's highest. Even more worrying is that Italy has the EU's highest percentage of youth aged 15-24 neither in employment nor in education and training (NEET),³³ in large part the result of early school leaving. Italy also has the EU's highest rate of NEETs among people aged 20-34.³⁴ Over the past 10 years, around 250,000 young people between 15 and 34 years of age have left Italy, mainly to find employment.³⁵ It is not expected that the situation of youth in Italy will improve if efficient measures to combat the consequences of Covid-19 are not created and implemented. Young people are the population group most penalized by the pandemic, as they were in the previous economic crisis.

At national level, the main measure applied to mitigate youth unemployment is the creation

of extracurricular traineeships. However, from 2014 to 2018, only 60% of the nearly 1.5 million traineeships carried out resulted in actual job creation. Of those that did, the majority of trainees signed fixed-term contracts.³⁶ Since the adoption of the Youth Guarantee in 2014, the number of extracurricular traineeships carried out in Italy has increased.³⁷ Another common intervention aimed at combating youth unemployment is a first-level apprenticeship, an employment contract combined with training. In 2017, 324,902 people were working under an apprenticeship contract in Italy.³⁸ In consideration of the limited positive impact of traineeships on the labour market, in the National Strategy Group's opinion, the Youth Guarantee should introduce funding conditionality mechanisms that limit the use of traineeships to a certain quota (e.g., 25%). This has already been proposed by the European Confederation of Independent Trade Unions (CESI). Furthermore, the NSG identifies the Child Guarantee – described in Ursula von der Leyen's Political Guidelines and scheduled for adoption in 2021³⁹ – as a strategic opportunity to couple the fight against youth unemployment with that against educational poverty by adopting a more holistic and far-sighted approach. The objectives of such a dual approach would be to prevent the condition of early-school-leaver NEETs from becoming chronic and compromising their chances to re-enter the labour market or education and training. This approach should be designed to reach severely disadvantaged young people and to support training programmes during work transitions that would result in professional qualifications. Ultimately,

32 Eurostat (2020) Youth unemployment rate by sex, age and country of birth <https://appsso.eurostat.ec.europa.eu/nui/submit-ViewTableAction.do>

33 Eurostat (2020) Young people aged 15-24 neither in employment nor in education and training (NEET), by sex - annual data https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfpsi_neet_a&lang=en

34 Eurostat (2020) Statistics on young people neither in employment nor in education or training https://ec.europa.eu/eurostat/statistics-explained/index.php/Statistics_on_young_people_neither_in_employment_nor_in_education_or_training

35 Il Sole 24 Ore (8 October 2019) In 10 anni l'Italia ha perso 250mila giovani: la fuga all'estero costa 16 miliardi <https://www.ilssole24ore.com/art/in-10-anni-l-italia-ha-perso-250mila-giovani-fuga-all-estero-costa-16-miliardi-AC0kqkp>

36 Ministry of Labour and Social Policies et al. (2020) Il Mercato del Lavoro 2019 <https://www.lavoro.gov.it/documenti-e-norme/studi-e-statistiche/Documents/Il%20Mercato%20del%20lavoro%202019,%20verso%20una%20lettura%20integrata/Mercato-del-lavoro-2019.pdf>

37 ANPAL (2020) Garanzia Giovani in Italia – Rapporto quadrimestrale No.1 2020 <https://www.anpal.gov.it/documents/552016/762863/85-GG-quadrimestrale-1-2020.pdf/1c29ecdb-f637-3fc8-e3d0-460f0f20efe0?t=1601031594724>

38 INAPP (2019) L'apprendistato tra continuità e innovazione https://oa.inapp.org/bitstream/handle/123456789/439/INAPP_XVIII_Rapporto_Apprendistato_2019.pdf?sequence=4&isAllowed=y

39 European Commission (2020) Basic services for children in need - European Child Guarantee <https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12565-European-Child-Guarantee->

such a strategy should aim at a more general empowerment of workers in the framework of a wider citizenship education programme. In more general terms, collaboration is strongly needed between the social partners and the managing authorities of the European Social

Fund and the Youth Employment Initiative is needed. It would lead – in the view of the NSG – to the co-design of local activities and the co-implementation of such activities by multi-stakeholder groups.

FAIR WORKING CONDITIONS AND LABOUR RIGHTS

The dramatic impact of the current pandemic on the labour market has exposed the shortcomings of labour legislation and working conditions in Italy. This is particularly true with respect to social protection policies and protection measures in the case of unemployment, suspension or reduction of work. As highlighted also in the Social Rights Monitor 2019, the Jobs Act, the series of legislative measures introduced by the Renzi government in 2014 and 2015, has jeopardised workers' rights in the name of increased flexibility in the job market. At the beginning of 2020, the Council of Europe confirmed the opinion of CGIL and of the European Confederation of Independent Trade Unions, declaring the Jobs Act to be in conflict with Article 24 of the European Social Charter. The decision of the Council of Europe takes into account the modifications to the Act introduced in 2018, which are still considered insufficient to prevent violation of the Charter. The Council of Europe's decision, although not legally-binding, has strong political value and constitutes a sizable opportunity for a reform of current labour market legislation. In addition, the National Strategy Group highlights the inadequacy of the labour market legislation due to its extreme fragmentation, which has led to

the paradox that it guarantees different rights under the same working conditions, particularly in regard to the social safety net. The Covid-19 emergency has pushed the government to take temporary measures in the form of bonuses or allowances to compensate for the lack of income of particularly unprotected categories. This situation has resulted in an awareness – shared by social partners and the government – of the need to reform all social safety nets and move towards a universal and mutualistic model flanked by another urgent reform of active labour policies. The level of investment in active labour policies is indeed below the OECD average.⁴⁰

The high rates of unemployment and in-work poverty – affecting self-employed workers in particular⁴¹ – as well as the low qualifications and skills mismatch that characterise the Italian job market are pressing issues that need to be tackled soon to improve working conditions in the country. Moreover, the NSG mentions that 10 million workers are still awaiting the renewal of national collective bargaining agreements and points out the necessity of defining union representation rules amid the increasing phenomenon of contracts signed by non-representative unions.

40 OECD (2020) Strengthening Active Labour Market Policies in Italy –Recent Trends in the Italian Labour Market https://read.oecd-ilibrary.org/employment/strengthening-active-labour-market-policies-in-italy_575fd92c-en#page2

41 ESPN (2019) In-work poverty in Italy file:///C:/Users/martina/AppData/Local/Temp/4/ESPN_IT_TR1_2018-19%20on%20in-work%20poverty_final.pdf

The national protocol⁴² on health and safety in the workplace that was approved during the Covid-19 crisis is welcomed by the National Strategy Group as a substantial improvement in working conditions during critical times. In particular, the co-operative approach taken by the government in the drafting phase of the document was particularly appreciated. The government involved social partners in the process and the result was particularly positive in the NSG's view.

Precarious work is among the features that characterise the Italian labour market. This is demonstrated not only by the high proportion of fixed-term contracts, but also by the increasing number of self-employed people working through occasional collaborations and the widespread use of internships that very often disguise real dependent work. The Decreto Dignità [Dignity Decree] was introduced in 2018 with the objective of limiting the creation of fixed-term contracts and instead favouring permanent contracts. However, since the measure was not flanked by the reorganization and simplification of contractual rules, it has had a very poor impact in preventing and reducing precarious work. Furthermore, it should be noted that irregular work is a widespread phenomenon that involves mainly women in the south of the country, young workers and workers during their last years of activity.⁴³ Women and youth are the two groups most vulnerable to precariousness. The number of temporary employees in the second quarter of 2020 was 2.5 million, compared with 15.1 million permanent workers. Female employees made up around half the temporary workers.⁴⁴

INCLUSION OF MIGRANTS

The economic situation of migrants in Italy is characterized by strong inequalities. There are nearly 1.4 million foreigners at risk of absolute poverty in Italy, or 26.9% of migrants. But 5.9% of Italian citizens are at risk of poverty, less than a quarter of the rate for migrants. Although non-Italian households represent only 9% of the overall total, they constitute more than 30% of the households (510,000) at risk of absolute poverty.⁴⁵

With respect to social integration, the Decreti Sicurezza⁴⁶ [Security Decrees] approved by the previous government dismantled the reception system in place (Sprar) for asylum seekers and replaced it with a more centralized one.⁴⁷ The previous system had been a capillary reception system, managed by municipalities and considered a virtuous practice in Europe. Furthermore, the decrees suspended humanitarian protection for asylum seekers, resulting in an increase in denials of protection requests. At the beginning of 2018 (before the Decreti Sicurezza), around 55% of requests of protection were denied in Italy, but in September 2019 the rate reached 80%. Since the application of the Decreti Sicurezza, the number of migrants in an irregular situation has increased. In October 2019, 26,722 out of ca. 93,000 migrants in an irregular situation were denied protection as a result of the above-mentioned Decrees.⁴⁸ However, thanks to a recent decree,⁴⁹ Decree Law 21 October 2020, No. 130, the provisions of the Decreti Sicurezza have been modified to increase inclusion. More precisely, the range of immigrants that can request protection has

42 Ministry of Health (2020) Covid-19 – Sicurezza dei Lavoratori: <http://www.salute.gov.it/portale/nuovocoronavirus/dettaglioContenutiNuovoCoronavirus.jsp?lingua=italiano&id=5383&area=nuovoCoronavirus&menu=vuoto>

43 Istat (2020) Rapporto annuale 2020 <https://www.istat.it/storage/rapporto-annuale/2020/Rapportoannuale2020.pdf>

44 Istat (2020) Occupati (migliaia): Dipendenti a tempo determinato/indeterminato, cittadinanza <http://dati.istat.it/Index.aspx?QueryId=26887>

45 Istat (2020) Rapporto povertà 2019 https://www.istat.it/it/files//2020/06/REPORT_POVERTA_2019.pdf

46 <https://www.gazzettaufficiale.it/showNewsDetail?id=1478&backTo=archivio&anno=2018&provenienza=archivio>

47 UNHCR – Italia (2019) Cambiamenti del “decreto sicurezza e immigrazione” <https://www.unhcr.org/it/risorse/carta-di-roma/fact-checking/2019-gennaio-cambiamenti-del-decreto-sicurezza-immigrazione/>

48 ISPI (2020) Migrazioni in Italia: tutti i numeri <https://www.ispionline.it/it/pubblicazione/migrazioni-italia-tutti-i-numeri-24893>

49 Decree Law 21 October 2020 No. 130 <https://www.gazzettaufficiale.it/eli/id/2020/10/21/20G00154/sg>

been widened and now includes those citing humanitarian reasons. Moreover, the Sprar system has been restored for asylum seekers.

Another measure that fosters social and labour integration has been introduced within the so-called Decreto Rilancio⁵⁰ (Relaunch Decree 19 May 2020 No. 34). Indeed, Art. 110 of the Decreto Rilancio foresees the possibility of regularizing irregular migrant workers in limited sectors such as agriculture, fishing and domestic work. According to the National Strategy Group, the envisaged measures show various inadequacies with respect to the selected economic sectors and the subjective conditions of the workers in question. As highlighted by INPS, out of 3.3 million irregular workers, the measure applies to only one third. Furthermore, in light of the low educational level of these workers, the administrative process of filing a request for regularization could represent a concrete obstacle.⁵¹ The NSG adds that the low number of regularization applications submitted – 207,542 as of 15 August 2019, mainly (85%) from domestic or care-sector workers⁵² – confirms these limitations.

GENDER EQUALITY

The female unemployment rate is still a greater problem in the Italian labour market than it is in other Western countries. Italy has the third highest gap between the male and female employment rates in the EU. In 2019, the female employment rate was 50.1%, compared to the 68% male employment rate.⁵³ As a

consequence, although the gender pay gap in Italy is a relatively low 5 %, it cannot be said that the country has achieved a high degree of gender equality. This results from the high disparity in the employments rate of men and women.⁵⁴ As concluded in a study on the Italian job market carried out by the OECD in 2020, there is still great potential to increase female participation in the labour force.⁵⁵ Women in Italy encounter obstacles in great part linked to their care duties within the household, which prevent them from entering the job market or actively looking for a job. Compared with men, 35.4% more women are inactive due to their care duties and responsibilities. Even when women work, they work fewer hours than men, as more women than men are in part-time employment. There is also a strong socio-economic component to the gender gap in employment rates: At 31.3 percentage points, it is drastically higher among people with a level of education below upper secondary.⁵⁶

Recently, several bills have been proposed to the Italian parliament with the objective of mitigating the gender employment gap. However, none of them is considered effective enough. Specifically, the Family Act, despite including some interesting measures, is grounded in the assumption that a woman's income is a family's second income; the bill does not feature a more structured plan aimed at boosting female employment. The Family Act also has the objective of increasing work flexibility to benefit families with children and improve the work-life balance of parents through extended parental leave.⁵⁷ Nevertheless, the NSG observes

50 Decree Law 19 May 2020, No. 34 <https://www.gazzettaufficiale.it/eli/id/2020/05/19/20G00052/sg>

51 INPS (2020) Nota Sanatoria 52020 https://www.inps.it/docallegatiNP/Mig/Dati_analisi_bilanci/Studi_e_analisi/NOTA_sanatoria_52020.pdf

52 Ministry of the Interior (2020) Emersione dei rapporti di lavoro: presentate più di 207mila domande <https://www.interno.gov.it/it/notizie/emersione-dei-rapporti-lavoro-presentate-piu-207mila-domande>

53 EIGE (2019) Gender statistics database https://eige.europa.eu/gender-statistics/dgs/indicator/ta_wrklab_lab_emprate_gen_lfst_r_ergau

54 EIGE (2019) What lies behind the gender pay gap? <https://eige.europa.eu/gender-statistics/dgs/data-talks/what-lies-behind-gender-pay-gap>

55 OECD (2020) Strengthening Active Labour Market Policies in Italy –Recent Trends in the Italian Labour Market https://read.oecd-ilibrary.org/employment/strengthening-active-labour-market-policies-in-italy_575fd92c-en#page2

56 OECD (2019) Gender differences in employment https://www.oecd.org/els/soc/LMF_1_6_Gender_differences_in_employment_outcomes.pdf

57 Presidency of the Council of Ministers – Department for Family Policies (2020) Riforma delle politiche della famiglia: approvato il Family Act <http://famiglia.governo.it/it/notizie/riforma-delle-politiche-della-famiglia-approvato-il-family-act/>

a continuation of gender-based stereotypes in the conception of the act, which seems to be based on a clear division of gender roles, with women remaining charged with most care and domestic duties. Furthermore, the National Strategy Group reckons that the emergency measures in support of families implemented in response to the Covid-19 crisis have been tailored to a traditional family model; they consequently make it harder for other family types to access them.

More generally, all the measures proposed so far to tackle gender inequalities focus primarily on social security contribution policies, which have very limited effectiveness in the medium and long term. The NSG emphasizes the

pivotal importance of renewed support for the care economy and of investment in welfare and social services. Such actions would reduce the burden of women's care duties and would represent significant progress towards gender equality. It is important to stress that according to a joint study by Istat and Eurostat, the gap between men and women who carried out household duties on a daily basis was 61 percentage points in 2016; it was 24 percentage points for childcare duties.⁵⁸ Only 24.7% of the potential demand for early childhood care (0-3 years old) is covered by both private- and public-sector services in Italy, with wide regional differences.⁵⁹ Therefore, it is clear that a stronger welfare system and better social services are sorely needed to advance gender equality.

58 Eurostat; Istat (2017) Cura dei figli e lavori domestici <https://www.istat.it/donne-uomini/bloc-3d.html?lang=it>

59 Istat (2020) Nidi e servizi educativi per l'infanzia - 0-3 anni <https://www.istat.it/it/files//2020/06/Infografica-servizi-infanzia.pdf>

SOCIAL PROTECTION AND INCLUSION

LIVING CONDITIONS AND HOUSING

Living conditions in Italy are still influenced by the consequences of the economic crisis of 2008 combined with a lack of social infrastructure capable of meeting citizens needs in full. An important element of living conditions in Italy is that they vary greatly depending on geographic area. Region and area of origin, together with a family's socio-economic conditions, determine people's opportunities for development. This translates into significant social inequalities, as shown by the National Institute for Statistics (Istat) 2020 Annual Report. The document identifies the inadequacy and fragmentation of the system for social protection and inclusion – due on the one hand to a lack of sufficient funding and on the other to a multi-level division of competencies among national, regional and local authorities, which are not clearly defined. In fact, the Italian Constitution and Law 328/2000 require the application of the so-called Livelli Essenziali di Prestazioni, LEP [Essential Levels of Services]. If these were appropriately defined and implemented, they would create a suitable regulatory framework for guaranteeing the enforceability of fundamental social rights throughout the territory, making them accessible to all.

If the effects of the pandemic are not tackled through drastic measures, living conditions in Italy will only worsen in the foreseeable future. The NSG places emphasis on the provision of income support and guarantee of public services to all to respond to the unprecedented situation the entire world is experiencing. Moreover, the demographic situation of Italy represents a major challenge from many

points of view, including living conditions. Italy is going through a demographic transformation process and becoming one of the oldest countries on the planet: in 2045 it is expected that people over 65 will constitute one third of the population, which will have decreased from the current 60 million inhabitants to 58.6 million, and it is expected that 78% of this future population will live in cities.⁶⁰ If these changes are not confronted soon and through a long-term approach, living conditions for a large part of the population, namely elderly people, will seriously worsen.

Housing is the policy category in which the Italian welfare system lags behind western standards. The European Commission in its 2019 Country Report specifies that only 4% of the population has access to housing with subsidized rent, while in 2017 the 28.2% of tenants who pay rent at market prices were overburdened by housing costs. In 2016, the housing deprivation rate stood at 11.1%, twice the EU average.⁶¹ According to Housing Europe's 2019 report, the emerging private social-housing sector is growing, but it needs to be boosted and integrated with existing public architecture to have a more significant impact. Moreover, more funding and support from the central government are needed.⁶² In the opinion of the National Strategy Group, the recent EUR 16 million re-financing of the rent support fund provided by Law 9 December 1998, No. 431⁶³ is not sufficient to respond to the high demand. A more sophisticated multi-dimensional approach should be encouraged in order to respond to the growth and changes in demand. In fact, there seems to be great difficulty in conceiving public policies that are flexible enough

60 Istat (2018) Il futuro demografico del paese https://www.istat.it/it/files/2018/05/previsioni_demografiche.pdf

61 European Commission (2019) Country Report Italy 2019 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX-52020SC0511&from=EN>

62 Housing Europe (2019) The State of Housing in the EU <https://www.housingeurope.eu/resource-1323/the-state-of-housing-in-the-eu-2019>

63 Law 9 December 1998, No. 431 <https://www.camera.it/parlam/leggi/984311.htm>

to adapt to a socio-economic context shaped by several rapid, major changes, including the following: increasing impoverishment of the middle class, economic difficulties among young people, fragmentation and changes in households, progressive aging of the population, growth of the population living in large urban areas and migration.

Ecological transition, protection of ecosystems and climate action are essential in Italy for improving living, health and safety conditions and for increasing job opportunities. However, clear, just transition plans and measures are needed in order not to leave any citizen, worker or community behind in the change. However, Italy does not have a transition strategy in place yet. To this end, the National Strategy Group urges the government to start a dialogue with social partners as soon as possible, using democratic participation in order to define the necessary plans, measures, investments and support tools. The European Commission, in its Country Specific Recommendations for 2019, identified a lack of investment and innovation as factors hindering the achievement of the 2030 EU energy and climate targets.⁶⁴

POLICIES TO TACKLE POVERTY

Although the risk of poverty and social exclusion in Italy declined to 27.3% in 2018, in-work poverty risk has been increasing since 2010 and reached 12.3% in 2018.⁶⁵ In 2019, 4.6 million people were living in absolute poverty in Italy⁶⁶ and 8.8 million in relative poverty.⁶⁷

Furthermore, social mobility has decreased in recent years. In some work sectors, downward social mobility has exceeded upward, and people born between 1972 and 1986 often have worse social conditions than their parents or grandparents.⁶⁸

Despite recent advances through policies aimed at combating poverty, namely the Reddito di Cittadinanza and the Reddito di Inclusione, the NSG evaluates Italy's national efforts as insufficient to eradicate the phenomenon. Indeed, the measures fail to recognize the multi-dimensional nature of poverty and to address it as such. On the contrary, the policies in place focus excessively on job placement, depriving beneficiaries of the support they need from municipal social services. The situation is made more critical by a consistent deficit in policies to combat poverty, due to constant underfunding and a weakening of public services, especially social services, at the local level. On a positive note, this trend has been partially interrupted by the Inclusion PON⁶⁹ and the plan for interventions and social services to tackle poverty, introduced in 2017. The PON is the national programme co-financed by the EU, which aims to support the implementation of a social infrastructure capable of combating poverty and marginalization and of spreading effective models of social intervention. The plan for interventions and social services to tackle poverty⁷⁰ is financed mainly by the Poverty Fund, which is in need of an increased endowment to make local-level social services capable of responding to the growing population suffering economic hardship, especially in view of the second wave of Covid-19.

64 European Commission (2019) Country Specific Recommendation Italy 2019 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52019DC0512&from=EN>

65 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0511&from=EN>

66 Istat (2020) Rapporto annuale 2020 <https://www.istat.it/storage/rapporto-annuale/2020/Rapportoannuale2020.pdf>

67 Istat (2020) Rapporto povertà 2019 https://www.istat.it/it/files/2020/06/REPORT_POVERTA_2019.pdf

68 Istat (2020) Rapporto annuale 2020 <https://www.istat.it/storage/rapporto-annuale/2020/Rapportoannuale2020.pdf>

69 Ministry of Labour and Social Policies et al. (2019) Un percorso comune per la lotta alla povertà <http://poninclusionelavoro.gov.it/Documents/Eventi/PercorsoComuneLottaPovert%C3%A0/Tangorra.pdf>

70 Ministry of Labour and Social Policies (2020) Piano per gli interventi e i servizi sociali di contrasto alla povertà 2018-20 <https://www.lavoro.gov.it/temi-e-priorita/poverta-ed-esclusione-sociale/focus-on/Reddito-di-Inclusione-Rel/Documents/Piano-interventi-servizi-poverta.pdf>

HEALTHCARE

The quality and accessibility of healthcare in Italy are good overall, according to the OECD.⁷¹ However, equality is far from being achieved for several reasons. Firstly, people with poor levels of income and education encounter obstacles with respect to both prevention and treatment, especially when the latter requires the payment of a service ticket. The national institute for statistics estimates that more than 4 million people renounce treatment for economic reasons.⁷² Secondly, regional primary care services lack funds and, therefore, capacity. This has been particularly evident during the pandemic, with negative effects on the promptness of the response.⁷³ Consequently, intervention is needed to strengthen primary care, especially for elderly, chronic patients and people who are not self-sufficient. This point was made by the Italian Court of Audits.⁷⁴ Moreover, there are regional mismatches between the demand for healthcare services and their supply, which push people to migrate within the country and contribute to inequalities in the system.

The regional divide previously described in this report is also present in the healthcare system, which is regulated at regional level.

The central government regulates the Livelli Essenziali di Assistenza Sanitaria, LEA [Essential Levels of Healthcare Services], which define the level of performance and the services that regional governments must guarantee. The 2016 monitor of the LEA showed a vast gap between the north and the south of the country, with southern regions performing more poorly.⁷⁵ However, it is important to notice that, despite the good score of the northern region of Lombardy in terms of LEA, the region showed great weaknesses during the Covid-19 emergency.

HealthCare is a universal service in Italy, and Articles 32 and 33 of Law 6 March 1998, No. 40 establish that healthcare is guaranteed to migrants and minorities, even if they do not have a regular residence permit.⁷⁶ In particular, the law recognizes protection related to pregnancy and maternity, the protection of the health of minors, vaccinations in the context of collective prevention interventions, international prophylaxis interventions, prophylaxis and treatment of infectious diseases. Yet, the NSG points out that in some cases access to care is hindered by the lack of attention given to "cultural mediation", which is necessary to remove linguistic and cultural obstacles.

71 OECD (2019) Health at a glance Italy <https://www.oecd.org/italy/health-at-a-glance-italy-EN.pdf>

72 Istat (2019) Attività conoscitiva preliminare all'esame del disegno di legge recante bilancio di previsione dello Stato per l'anno finanziario 2019 e bilancio pluriennale per il triennio 2019-2021 <https://www.istat.it/it/files/2018/11/A-Audizione-DDL-Bilancio-12-nov-2018.pdf>

73 Corte dei conti (2020) Rapporto sul coordinamento della finanza pubblica <https://www.corteconti.it/Download?id=f900afd4-5f07-4a4b-81a1-273e14a4456a>

74 Corte dei Conti (2020) Memoria della Corte dei Conti sul decreto-legge n. 34/2020 recante misure urgenti in materia di salute e di sostegno al lavoro e all'economia (a.c. 2500) <https://www.corteconti.it/Download?id=89684b0a-9c96-4e29-90f4-446858b94e9d>

75 Ministry of Health (2016) Servizio Sanitario Nazionale: i LEA <http://www.salute.gov.it/portale/lea/dettaglioContenutiLea.jsp?lingua=italiano&id=5238&area=Lea&menu=monitoraggioLea>

76 Law 6 March 1998, No. 40 <https://www.camera.it/parlam/leggi/98040l.htm>

CIVIC SPACE

Based on the CIVICUS' Monitor, Italy presents a "narrowed" civic space.⁷⁷ The National Strategy Group added that in the last 24 months, anomalous conditions have influenced civic space in Italy. In 2019, as a consequence of the political climate that resulted in the approval of the Decreti Sicurezza [Security Decrees], forms of intimidation targeting civil society organizations were recorded. The Decreti Sicurezza, approved by the previous government, made it possible to file financial and administrative fines against NGOs working to rescue migrants in the Mediterranean Sea, as well as to ban them from territorial waters. Furthermore, the decrees specifically required civil-society organisations working in the field of migration to publish a report every three months on their activities and funding.⁷⁸ Thanks to the amendment of the Decreti Sicurezza by the above-mentioned Decree Law 21 October 2020, No. 130, NGOs can now only be denied access to territorial waters when they do not notify Italian authorities and their own national authorities of their operations. Administrative fines have been cancelled, as have financial penalties above EUR 50,000.⁷⁹

The exceptional nature of the Covid-19 emergency entailed a series of restrictions on civic space in Italy, as in the rest of the world. As a consequence of the great danger to public health, the Decree Law 9 March 2020, No. 14 suspended all forms of organized demonstrations and events in public or private places, including those of a cultural, recreational, sporting, religious or trade nature. The same decree also suspended demonstrations, events and shows of any kind, held in any place, both public and private.⁸⁰ In spite of the strong restrictions, the National Strategy Group highlights that, overall, Italian citizens did not perceive the

new measures as a threat to their freedom. In some limited cases, even during full lockdown, there were protests and strikes to demand that employers fully comply with health protection measures. In particular, metalworkers in Lombardy, one of the regions most affected by the pandemic, went on strike to protect their right to health.

Formally, the right of peaceful assembly, guaranteed by Article 17 and 21 of the Constitution, is respected in Italy and has been effective again since May 2020 after months of suspension due to the health emergency. However, SOLIDAR's National Strategy Group points out that new regulations (Circolare Gabrielli, national guidelines defining security criteria for public events and subsequent updates) were introduced in 2017 aimed at enhancing the security and safety of large public events. The rationale for the introduction of these rules was events in 2017, such as the rise of terrorism in Europe and the tragedy at the Piazza San Carlo in Turin, where 3 people died and 1,672 were injured in a stampede during the screening of a football match. Without a doubt, these measures have made the organization of large public events more difficult and economically burdensome from an organizational point of view. It is thus not surprising that such events are less and less frequent. Nonetheless, innovative gatherings took place in 2019 and 2020: in the winter of 2019-20 the protagonists of the so-called Sardine movement identified simple but still effective ways of involving large numbers of people in demonstrating their values and ideas.

As a general trend, the protection of freedom of speech has improved in Italy over the last year. The country gained two positions in the

77 CIVICUS (2020) Monitor- Tracking Civic Space <https://monitor.civicus.org/>

78 Law 1 December 2018, No. 132 <https://www.gazzettaufficiale.it/eli/id/2018/12/03/18G00161/sg>

79 Council of Ministries No. 65 (06 October 2020) Comunicato Stampa http://www.governo.it/sites/new.governo.it/files/Cdm_65.pdf

80 Decree of the President of the Council of Ministers 9 March 2020 https://www.gazzettaufficiale.it/atto/serie_generale/caricaDettaglioAtto/originario?atto.dataPubblicazioneGazzetta=2020-03-09&atto.codiceRedazionale=20A01558&elenco30giorni=true

World Press Freedom Index in 2020: it is now 41st with a 1.28 points improvement over last year, when it was 43rd.⁸¹ However, the number of journalists living under police protection doubled in 2019, and worrying episodes of violence against the press have been registered in some southern regions – Campania, Calabria, Puglia, Sicilia, but also in the area around Rome.⁸² In addition, the NSG points out that an offensive and threatening attitude towards the free press from a certain part of the political establishment can be observed.

SOCIAL DIALOGUE

The NSG reports that social dialogue has been particularly frequent and meaningful in the last year, especially in the context of the Covid-19 emergency. For instance, the drafting of a national protocol to guarantee safety conditions in workplaces has been fully shared among the government, trade unions and employers' representatives, creating a positive and effective model of collaboration. The government also

involved social partners and international organizations in the so-called General States of the Economy, held in June 2020. This aimed to define a strategy to relaunch the national economy and respond to the economic consequences of Covid-19. The NSG points out that the control room between the Social Policies Ministry and the National Forum of the Third Sector has never interrupted its work, even during the Covid-19 emergency. This allowed the civil society reform law to be advanced and emergency measures to be defined to enhance organizations' social work and reduce the impact of the crisis.

Despite the positive improvements in strengthening social dialogue, room for further improvement can be identified. The Constitutional Court, with its judgment No. 131, year 2020, confirmed that there is an opportunity for more collaboration between the third sector and public authorities. This judgment creates an even-more-solid basis for reinforcing the participation of CSOs in decision-making processes.

81 Reporters Without Borders (2020) World Press Freedom index <https://rsf.org/en/ranking>

82 A Buon Diritto Onlus (2020) Rapporto sullo stato dei diritti in Italia <https://www.rapportodiritti.it/>

COMPARISON WITH THE COUNTRY SPECIFIC RECOMMENDATIONS

The European Commission's Country Specific Recommendations for Italy focus in large part on encouraging an effective and sustainable mitigation of the impact of the Covid-19 pandemic on the socio-economic situation. The recommendations touch on several concepts mentioned by the National Strategy Group. The Commission stresses the need for a stronger social safety net that ensures adequate income replacement, especially for atypical workers and people in vulnerable situations. In line with the National Strategy Group's point of view, the *Reddito di Cittadinanza* is mentioned as a positive measure in this sense, but so is the necessity to improve its scope. In agreement with the findings of this Social Rights Monitor, the European Commission urges the integration of inactive young people and women into the labour market. It also highlights the risk of Italian regions being affected unevenly in the aftermath of Covid-19 and recommends that adequate measures be taken to prevent this.

The Commission's recommendations also include ways to improve the capacity of the Italian healthcare sector (strengthening staffing and infrastructure capacity, for instance) in the light of the pandemic's impact. Other items

include the fight against corruption and the informal economy, as well as improvements in the efficiency of the judiciary. Furthermore, the Commission stresses the beneficial role of a green transition for Italy, as this would positively impact the future recovery and the resilience of the country's regions. Much space is also dedicated to the importance of digitalizing public administration and reinforcing digital skills, especially as more people work and study from home. Though the crucial role of digital skills is undeniable, the Country Specific Recommendations for 2020 give too little space to the need to improve other skills and to the central issue of educational poverty in Italy. Similarly, the integration of migrants into the labour market is mentioned and encouraged, but no further attention is dedicated to their social inclusion.

In conclusion, the European Commission's Country Specific Recommendations generally reflect the priorities laid out by the NSG in this Monitor. Nevertheless, the Commission gives more space to the need for digitalization and for a green transition. On the other hand, the recommendations could be more specific with regard to social inclusion and access to education.



solidar



COUNTRY MONITOR: NORTH MACEDONIA



In recent years, the Republic of North Macedonia has increased its efforts and achieved progress in key areas identified by the Council as necessary for the opening of accession negotiations, the European Commission reports. Specifically, efforts have focused on the judiciary, the fight against corruption and organised crime, reform of the intelligence services and public administration.¹ The outbreak of the Covid-19 pandemic greatly impacted North Macedonia on several levels. Firstly, the pandemic pushed the government to declare a state of emergency and therefore rule by decree between March 2020 and June 2020. The unprecedented situation also caused the postponement of parliamentary elections, planned for April 2020, to July 2020. Although the

socio-economic consequences are still hard to assess, a loss of 4 to 6 percentage points of GDP is forecast for North Macedonia, as is the risk of unemployment for thousands of citizens. Fiscal repercussions of temporary government support measures are also expected.² This picture is intertwined with what the National Strategy Group identifies as the most pressing social issues, such as youth unemployment, emigration and a low minimum wage. Although youth unemployment has been decreasing since 2011, when it was 47%, it was still extremely high in 2019, with 30.5% of young people aged 15-29 unemployed.³ Also, the minimum wage is much lower than the European Union average, considered both in terms of wages in euros and in purchasing power parity.⁴

1 European Commission (2020) North Macedonia 2020 Report https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/north_macedonia_report_2020.pdf

2 Ibid.

3 Eurostat (2020) Youth unemployment rate by sex, age and country of birth <https://appsso.eurostat.ec.europa.eu/nui/submitView-TableAction.do>

4 Eurostat (2020) Minimum wage statistics <https://ec.europa.eu/eurostat/statistics-explained/pdfscache/1568.pdf>

	2018	2019	EU-28 2019
Gini index ⁵	31.9	30.7	30.1
Unemployment ⁶	20.8%	17.3%	6.3%
Gender Equality Index ⁷	N/A	N/A	67.9 (2020)
In-work poverty ⁸	8.7%	8.4%	9.2%
Housing Overcrowding ⁹	46.4%	43.5%	15.6%
CIVICUS Civic Space Monitor ¹⁰		NARROWED	N/A

Selected indicators on the state of social rights

EQUAL OPPORTUNITIES AND ACCESS TO THE LABOUR MARKET

Unemployment is a major feature of the labour market in North Macedonia. More than one-fifth of the Macedonian labour force was jobless in 2018.¹¹ Moreover, around 80% of the unemployed are long-term unemployed, largely reflecting the skills mismatch that characterises the job market. Overall, 15% of the workforce are long-term unemployed, though the rate has been decreasing steadily in the last few years, a positive trend. The employment rate increased in the year before the pandemic struck but remained low.¹² It is disproportionately harder for women to access the labour market: the female employment rate was 45.2% in 2018, compared to 66.6% for male employment.¹³

EDUCATION AND YOUTH UNEMPLOYMENT

Public expenditure on education has averaged around 3.7% of GDP over the last five years, and it is still below the OECD average.¹⁴ Since the country gained independence, participation in schooling in North Macedonia has increased, leading to an rise in the educational achievements of young people. However, according to PISA scores, North Macedonia has the poorest performance of learning outcomes in the Western Balkans region. Socio-economic differences do not affect learning outcomes in North Macedonia, in part due to the general low level of performance throughout

5 Eurostat (2020). Gini coefficient of equivalised disposable income: http://appsso.eurostat.ec.europa.eu/nui/show.do?lang=en&dataset=ilc_di12

6 Eurostat (2020). Unemployment by sex and age: annual data: https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_rt_a&lang=en

7 European Institute for Gender Equality (2020). Gender Equality Index: <https://eige.europa.eu/gender-equality-index/2020>

8 Eurostat (2020). In-work at-risk-of-poverty-rate : <https://ec.europa.eu/eurostat/databrowser/view/tespm070/default/table?lang=en>

9 Eurostat (2020). Overcrowding rate by age, sex and poverty status – total population: https://ec.europa.eu/eurostat/databrowser/view/ilc_lvho05a/default/table?lang=en

10 CIVICUS (2020). Civic space monitor – Macedonia: <https://monitor.civicus.org/country/macedonia/>

11 Eurostat (2020) Enlargement countries - labour market statistics https://ec.europa.eu/eurostat/statistics-explained/index.php/Enlargement_countries_-_labour_market_statistics#Employment_rates

12 European Commission (2020) North Macedonia 2020 Report https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/north_macedonia_report_2020.pdf

13 Eurostat (2020) Enlargement countries - labour market statistics https://ec.europa.eu/eurostat/statistics-explained/index.php/Enlargement_countries_-_labour_market_statistics#Employment_rates

14 European Commission (2020) North Macedonia Report 2020 https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/north_macedonia_report_2020.pdf

the country. Nevertheless, the learning outcomes gap between urban and country areas is one of the highest among PISA-participating economies. In science, for instance, 15-year-old students living in rural areas are 1.5 years of schooling behind those who live in urban areas. Ethnicity, especially for the Albanian minority, is another relevant factor of differentiation of learning outcomes, and this gap increases the further students advance in the education system.¹⁵

In 2019, 30.5% of young people aged 15-29 were unemployed in North Macedonia, more than twice the average rates of the euro area (12.9%) and of the EU-27 (11.9%). Youth unemployment also depends on gender: in 2019, 28.6% of young men were unemployed and 32.5% of young women.¹⁶ The low labour-market activity rate of the young population is strongly linked to educational inequalities, as 42% of low-educated individuals were inactive in 2015.¹⁷ Unemployment is not the only pressing issue in North Macedonia. The rate of NEETs (people not in employment, education or training) was 31.4% in 2019, with a wide gender gap of 12.1 percentage points: the rate of female NEETs was 37.4%.¹⁸ Youth underemployment (when workers are highly skilled but working in low-paying jobs; or they are highly skilled but working part-time in low-skill jobs; or they would prefer to be full-time) is another alarming feature of the labour market.¹⁹ According to a 2019 report by Finance Think based on ILO data, underemployed youth accounted for

12.5% of North Macedonia's employed population aged 15-19, almost 5 percentage points higher than the EU-28 average. The rate was higher for women overall: on average, 19% were underemployed.²⁰

This situation has triggered a brain drain from North Macedonia. Over one-quarter of the national population had emigrated by 2017, and more than one-third of the university-educated workforce was living abroad that year. Among people with some kind of higher education, almost 40% have emigrated. Dissatisfaction is especially high in the education sector: in 2017, about 70 % of people employed in North Macedonia's higher education system were planning to emigrate, and 20% of this group had already applied for jobs abroad.²¹

Successive governments of North Macedonia have tried over the years to tackle youth unemployment. The National Strategy Group reports that in the last decade public measures to combat youth unemployment have focused on three main policy areas: macroeconomic and sectoral actions and their impact on job creation; education and training policies and their relevance to the labour market; and labour-market policies that bridge the gaps between labour supply and demand. The process of planning, design and implementation of active labour-market programs (ALMPs) started in 2007 and has been implemented through operational plans (OPs). The OPs follow the guidelines set out in strategic documents,

15 OECD (2019) OECD Reviews of Evaluation and Assessment in Education: North Macedonia https://www.oecd-ilibrary.org/sites/079fe34c-en/1/2/1/index.html?itemId=/content/publication/079fe34c-en&csp_ =b01967bbf6919870948b05a9f-57ca5a4&itemIGO=oecd&itemContentType=book

16 Eurostat (2020) Youth unemployment rate by sex, age and country of birth https://ec.europa.eu/eurostat/databrowser/view/yth_empl_100/default/table?lang=en

17 Nikica Mojsoska Blazevski, Marjan Petreski & Despina Petreska (2015) Increasing the Labor Market Activity of the Poor, Females, and Informal Workers: Let's Make Work Pay in Macedonia https://www.researchgate.net/publication/287973216_Increasing_the_Labor_Market_Activity_of_the_Poor_Females_and_Informal_Workers_Let's_Make_Work_Pay_in_Macedonia

18 Eurostat (2020) Statistics on young people neither in employment nor in education or training https://ec.europa.eu/eurostat/statistics-explained/index.php/Statistics_on_young_people_neither_in_employment_nor_in_education_or_training#:~:text=The%20latest%20data%20available%20for,for%20those%20aged%2030%E2%80%9334

19 European Commission (2017) Youth policies in the former Yugoslav Republic of Macedonia – 2017 https://eacea.ec.europa.eu/national-policies/sites/youthwiki/files/gdlformer_yugoslav_republic_of_macedonia.pdf

20 Finance Think (2019) Analysis of youth underemployment in North Macedonia, Montenegro and Serbia <https://www.financethink.mk/wp-content/uploads/2019/03/Policy-study-22.pdf>

21 World Bank (2019) Migration and Brain Drain <file:///C:/Users/User/Downloads/9781464815065.pdf>

including the National Employment Strategy and the National Action Plan for Employment. Aimed at young people, the separate Action Plan for Youth Unemployment 2012-2015 was followed by the more recent Action Plan for Youth Unemployment 2016-2020.

This last strategic document foresees the creation of a skills forecasting system to inform both policy design and individuals' choices over education and work. The skills forecasting model is based on demographic projections, employer and vacancies surveys, education data, employment projections and sectoral studies. The Ministry of Labour and Social Policies and the Ministry of Education and Science both use it and provide data for it. Other measures, too, are envisaged by the Action Plan for Youth Unemployment for 2016-2020. These include actions to create job opportunities, for example through subsidised employment for young people and young people at risk of social exclusion, as well as through support for SMEs. The plan also includes flexicurity; traineeships and apprenticeships (although clear guidelines have not been elaborated yet); career guidance and counselling services; and the development of entrepreneurship competences.²²

INCLUSION OF MIGRANTS

The Ministry of Labour and Social Policy (MLSP) has set up an inter-ministerial group for the integration of refugees and foreigners. Its priorities also include the preparation of the Draft Strategy for Integration of Refugees and Foreigners for 2017-2027. The focus of

the Draft Strategy is the improvement of educational services for refugees, especially language courses, as a fundamental means of integration. Besides the inadequacy of the educational and mentorship services for refugees in North Macedonia, the lack of precise official figures on immigration represents a major issue for the integration of immigrants, the IRIS Network reports. The large number of irregular movements leads to the deportation of irregular immigrants to Greece (the main access point for immigrants to North Macedonia) on a daily basis.²³ The European Commission, in its 2020 Report on Macedonia, mentions the need for the country to have a more-systematic approach to the registration and profiling of migrants.²⁴

According to the Law on Social Protection, basic social protection, permanent social protection, nursing care and one-time financial assistance is available to all refugees, asylum-seekers and persons under subsidiary protection. Medical aid for these groups in protection centres is mainly provided by the Red Cross in cooperation with the Ministry of Health. The Centres for Social Work (CSW) are in charge of social protection management and the Centre for Integration handles the dissemination of adequate information, as well as support for refugees in their applications for social assistance. The only persons with complete access to social rights are those under humanitarian protection, victims of human trafficking, recognized refugees, persons under subsidiary protection and foreign nationals with permission to remain in the country permanently. The integration of refugees in North Macedonia consists of three main services: inclusion

22 European Commission (2017) Youth policies in the former Yugoslav Republic of Macedonia – 2017 https://eacea.ec.europa.eu/national-policies/sites/youthwiki/files/gdlformer_yugoslav_republic_of_macedonia.pdf

23 IRIS Network (2019) Regional Shadow Report <http://iris-see.eu/wp-content/uploads/2020/01/Regional-Shadow-Report.pdf>

24 European Commission (2020) North Macedonia Report 2020 https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/north_macedonia_report_2020.pdf

of refugees in the national welfare system; support for refugees to become self-reliant through employment, education, housing and other means; and legal aid to enable refugees to be fully integrated into North Macedonian society, either as citizens or as holders of permanent residence permits.²⁵

The inclusion of the Roma minority has received increasing attention in recent years, which has resulted in an increase in government funds. However, the low use of the funds remains an issue, together with the slow implementation, coordination and monitoring of all interventions to increase Roma inclusion in North Macedonian society. Roma are victims of racism, segregation and discrimination, despite the existence of a legal framework that protects the human rights of minorities. More broadly, barriers exist that prevent the Roma minority from accessing employment, health-care, education, justice and housing.²⁶

TAX SYSTEM

In January 2019, the government introduced a reform aimed at redistributing the fiscal burden towards the wealthiest 1% of the population. The increased revenues resulting from this reform were meant to finance new social protection rights, which were linked to the tax reform

under the umbrella of a wider social reform package. This package included the New Law on Social Protection, which introduced guaranteed minimum assistance; the Law on Social Security for Older Persons, which introduced social pensions; and amendments to the Law on Child Protection, which introduced educational allowances. However, the policy was rolled back only 11 months after its introduction by the same government that proposed it. The arguments in support of this decision included the fact that the reform, as conceived, led to an improvement of less than 1% in the equality of income distribution but had led to tax avoidance equivalent to 50% of the expected revenues. The European Social Policy Network disputes these arguments from different perspectives. For instance, it notes that the most recent data available on inequality refer to 2018 and that an improvement of 0.6 percentage point in the Gini coefficient is not negligible. And if the government's objective was to reduce fiscal pressure on a certain income group, it would have been better to change the progressive personal income tax thresholds. The ENSP also points out that, by rolling back the entire reform, the government lost political credibility.²⁷ On a more positive note, the above-mentioned measures introduced together with the tax reform have been identified by the NSG as a positive step towards reducing inequalities in North Macedonia.

25 Ristevski, V. (2016) Access to social protection and naturalization for refugees and persons under subsidiary protection in the Republic of Macedonia <https://civicamobilitas.mk/wp-content/uploads/2018/02/ACCESS-TO-SOCIAL-PROTECTION-AND-NATURALIZATION-FOR-REFUGEES-AND-PERSONS-UNDER-SUBSIDIARY-PROTECTION-IN-THE-REPUBLIC-OF-MACEDONIA.pdf>

26 European Commission (2020) North Macedonia Report 2020 https://ec.europa.eu/neighbourhood-enlargement/sites/next/files/north_macedonia_report_2020.pdf

27 ESPN (2019) North Macedonia rolls back progressive taxation <file:///C:/Users/User/Downloads/ESPN%20-%20Flash%20report%202019%20-%2061%20-%20MK%20-%20December%202019.pdf>

FAIR WORKING CONDITIONS

MINIMUM WAGE AND IN-WORK POVERTY

The incidence of low wages is high in North Macedonia, with a 25% rate of low-wage earners in 2014.²⁸ In 2012, a statutory minimum wage was introduced, with the positive consequence of protecting workers of non-unionised sectors. However, until amendments to the law were introduced in 2017, the minimum wage did not apply to all sectors. Sectors that had been left out included textiles, clothing and leather production, all of which have high concentrations of low-wage workers. The self-employed are not covered by minimum wage provisions in North Macedonia. Between 2012 and 2018, the minimum net wage increased by 51%.²⁹ However, the minimum wage in North Macedonia is significantly lower than that in the EU.³⁰ Moreover, despite the efforts of authorities to enforce compliance with the minimum wage, evidence shows that in many cases employers apply it as a social insurance contribution threshold, paying amounts above the minimum wage in cash to avoid higher contributions. Despite these problems, the impact of the minimum wage on in-work poverty and equitable wages has been positive.³¹ Nevertheless, the National Strategy Group highlights that the IMF mission to North Macedonia has suggested lowering the minimum income base for social security,³² though government policies have not yet moved in this direction.

In-work poverty in North Macedonia is not as pronounced as out-of-work poverty, and in 2016 it was slightly lower than the EU average

at 9.6%. Of employed persons in North Macedonia aged 18-64, 8.9% were at risk of poverty after social transfers in 2016. However, employment status has an impact on the incidence of in-work poverty in North Macedonia, and the self-employed are the group at highest risk of being affected. Among employed workers, those who are employed part-time are the most hit by in-work poverty. The length of their contract also influences the rate of in-work poverty. In-work poverty among employees on temporary contracts stood at 5.9% in 2016, while the rate was 4.8% for those on permanent contracts. Since 2012, temporary employment has increased by 16.2%. However, part-time employment is to a large extent involuntary: Labour Force Survey data for 2017 show that in 63% of cases, the main reason for working part-time was the lack of alternative jobs.³³

PRECARIOUSNESS AND WORKPLACE HEALTH AND SAFETY

Although informal employment declined after 2013 to 18.1% in 2017, it still represents a significant issue for the Macedonian labour market, especially among low-skilled workers.³⁴ Therefore, this last group is at high risk of precariousness. Furthermore, part-time workers' high risk of in-work poverty is also the result of the precarious conditions of their work.³⁵ Self-employed workers, too, are subject to precariousness.

Precariousness in North Macedonia also concerns workers' health and safety conditions. Health and safety in the workplace are regulated

28 Eurostat (2020) Wages and labour costs https://ec.europa.eu/eurostat/statistics-explained/index.php/Wages_and_labour_costs#Gross_wages_2Eearnings

29 ESPN (2019) In-work poverty in North Macedonia file:///C:/Users/User/Downloads/ESPN_MK_TR1_2018-19%20on%20in-work%20poverty_final.pdf

30 Eurostat (2020) Minimum wage statistics <https://ec.europa.eu/eurostat/statistics-explained/pdfscache/1568.pdf>

31 ESPN (2019) In-work poverty in North Macedonia file:///C:/Users/User/Downloads/ESPN_MK_TR1_2018-19%20on%20in-work%20poverty_final.pdf

32 IMF (2020) Country Report No. 20/24 Republic of North Macedonia <file:///C:/Users/User/Downloads/1MKDEA2020001.pdf>

33 ESPN (2019) In-work poverty in North Macedonia file:///C:/Users/User/Downloads/ESPN_MK_TR1_2018-19%20on%20in-work%20poverty_final.pdf

34 European Commission (2020) Commission Staff Working Document – North Macedonia 2020 Report https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/north_macedonia_report_2020.pdf

35 ESPN (2019) In-work poverty in North Macedonia file:///C:/Users/User/Downloads/ESPN_MK_TR1_2018-19%20on%20in-work%20poverty_final.pdf

by the Law on Occupational Safety and Health, whose fundamental principle is "the principle of prevention of occupational injuries, occupational diseases and work-related illnesses". Between 2007 and 2010, the law was applied relatively little, but its application increased over time, thanks to the introduction of legal entities responsible for conducting risk-assessment evaluations and implementing the law's provisions.³⁶ More recently, the recruitment of additional inspectors has had a moderately positive impact on the capacity to administer health and safety at work. However, according to the European Commission, legislation has not been sufficiently implemented. In 2019, CSOs reported 141 workplace injuries of which 22 were fatal.³⁷

GENDER EQUALITY AND WORK-LIFE BALANCE

In 2018, the gender employment gap in North Macedonia stood at over 20%, higher than that in all except one EU country.³⁸ With the collaboration of the European Gender Equality Institute, North Macedonia introduced its first Gender Equality Index in 2019, based on 2015 data. From this report it appears that performance in terms of the gender power balance is satisfactory, partly thanks to the gender quota for members of parliament introduced 17 years ago. But significant gender inequalities persist, especially in income, earnings and the sharing of household responsibilities. Overall, the 2015 Gender Equality Index for North Macedonia, at 62, is below the average index for the EU-28, which is 66.2.³⁹ North Macedonia's 2017 gender pay gap was 12.5%. When taking into consideration characteristics such as education, years of service, age and occupation profile, this gap increases to 17.3%. When only

people who have completed primary education are considered, the gap is 28%.⁴⁰

Patriarchal gender roles are imposed in many households in North Macedonia, especially among the Roma and Albanian ethnic minorities. The incidence increases further for ethnic minorities in rural areas.⁴¹ These gender roles result in women spending seven times as much time as men on domestic tasks.⁴² This stereotypical division of gender roles is mirrored in the labour market, as some jobs are carried out predominantly by women – and these are among the least regulated and lowest paid. Moreover, women are primarily employed in lower-level positions. Female inactivity is also influenced by ethnicity: 40% of Roma women and 46% of Albanian women are inactive.⁴³

Measures to improve the work-life balance focus on maternity guarantees, paternity leave and the childbirth allowance, the National Strategy Group points out. Fathers have the right to up to seven days of paid childbirth leave, although this comes under a wider law that includes leave for other personal and family matters. Fathers are also entitled to take parental leave not used by the mother. However, few fathers use their paternity leave. Other measures for work-life balance mentioned by the NSG include mothers' entitlement to a daily total of 1.5 hours of breaks during working hours for breastfeeding until their child reaches the age of one.⁴⁴ Also, workers are protected from overtime and night work while pregnant and until their child turns one, and this can be extended until the child is three (Labour Law, article 64). The National Strategy Group also mentions some cases of unlawful changes to women's job roles at the end of their maternity leave.

36 Balcanosh.net (2018) Occupational safety and health – Study of Macedonia <http://project-balcanosh.net/wp-content/uploads/2018/11/OCCUPATIONAL-SAFETY-AND-HEALTH-STUDY-MACEDONIA.pdf>

37 European Commission (2020) North Macedonia Report 2020 https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/north_macedonia_report_2020.pdf

38 Eurostat (2020) Gender statistics https://ec.europa.eu/eurostat/statistics-explained/index.php/Gender_statistics#Education

39 Carovska, M. (2019) Gender Equality Index for North Macedonia https://eurogender.eige.europa.eu/system/files/events-files/gender_equality_index_macedonia_eng.pdf

40 Eurofound (2018) Living and working in North Macedonia <https://www.eurofound.europa.eu/country/north-macedonia#equality-and-nondiscrimination-at-work>

41 USAID (2019) USAID/North Macedonia Gender Analysis Report <https://banyanglobal.com/wp-content/uploads/2019/09/USAID-North-Macedonia-Gender-Analysis-Report.pdf>

42 Carovska, M. (2019) Gender Equality Index for North Macedonia https://eurogender.eige.europa.eu/system/files/events-files/gender_equality_index_macedonia_eng.pdf

43 USAID (2019) USAID/North Macedonia Gender Analysis Report <https://banyanglobal.com/wp-content/uploads/2019/09/USAID-North-Macedonia-Gender-Analysis-Report.pdf>

44 Ministry of Labour and Social Policy (2020) <http://www.mtsp.gov.mk/>

SOCIAL PROTECTION AND INCLUSION

HOUSING

Homeless people, street children and housing deprivation are the most visible forms of poverty and social exclusion in North Macedonia. The effectiveness of policy interventions aimed at tackling housing deprivation is jeopardised by the lack of official data and of comprehensive assessments. Housing deprivation in the country consists of substandard housing, lack of housing affordability and housing insecurity.⁴⁵ In 2017, according to Eurostat, 47.3% of people in North Macedonia were living in overcrowded dwellings, almost the double the EU average for 2018.⁴⁶ The rate was 64.1% for that part of the population at risk of poverty. In the same year, 10.1% of the population suffered from severe housing deprivation. That is, as well as living in overcrowded conditions, they were also affected by at least one of the following factors: lack of a bath and a toilet; a leaking roof; or a dwelling considered too dark. Finally, 11.7% of people in 2017 lived in households that spent 40% or more of their equalised disposable income on housing. The Roma minority is the ethnic group most affected by housing deprivation. In 2016, 28% of the Roma community lived in inadequate housing.⁴⁷ Another aggravating element is massive internal and external migration, caused by the weakness of the national economy and high unemployment. Migration results in a lack of decent and affordable housing in bigger cities and abandoned housing stock in rural areas.⁴⁸

The government's approach is defined in the National Strategy for Reduction of Poverty and

Social Exclusion (2010-2020). The European Social Policy Network points out that the document defines a broad strategy for tackling poverty and social exclusion and that it was not accompanied by monitoring mechanisms, nor did it have a fiscal scenario or budget. Hence, its implementation could not be effectively assessed.⁴⁹ Housing is mentioned in the document as one of the policy priorities, and no specific objectives or indicators are mentioned. The overarching objective is to 'achieve standard and harmonised housing conditions for the citizens which are considered socially excluded in housing'.⁵⁰

GOOD PRACTICE

HABITAT MACEDONIA

Habitat Macedonia⁵¹ is a social enterprise formed by an NGO and two limited liability companies and is affiliated to the global non-for-profit poverty housing network Habitat for Humanity. Its mission is to provide simple, decent and affordable housing solutions for those living in poverty. Habitat Macedonia's varied nature is combined with a heterogeneous portfolio of actions, which bring together volunteer, construction, capacity-development, community-development and advocacy components. These raise public awareness of the transformational ability of decent housing. However, the most original feature of the social enterprise's operation is its partnership model with microfinance entities.

45 ESPN (2019) National strategies to fight homelessness and housing exclusion – North Macedonia file:///C:/Users/User/Downloads/ESPN_MK_homelessness%20and%20housing%20exclusion_2019.pdf

46 Eurostat (2020) Housing Statistics https://ec.europa.eu/eurostat/statistics-explained/index.php/Housing_statistics#Housing_quality

47 ESPN (2019) National strategies to fight homelessness and housing exclusion – North Macedonia file:///C:/Users/User/Downloads/ESPN_MK_homelessness%20and%20housing%20exclusion_2019.pdf

48 Habitat for humanity (2020) Country profile North Macedonia <https://www.habitat.org/sites/default/files/documents/North%20Macedonia.pdf>

49 ESPN (2019) National strategies to fight homelessness and housing exclusion – North Macedonia file:///C:/Users/User/Downloads/ESPN_MK_homelessness%20and%20housing%20exclusion_2019.pdf

50 Ministry of Labour and Social Policy (2010) National Strategy on Alleviation of Poverty and Social Exclusion in the Republic of Macedonia 2010-2020 <https://mtsp.gov.mk/WBStorage/Files/strategy.pdf>

51 Habitat for Humanity Macedonia (2020) What we do <http://www.habitat.org.mk/?page=program>

JUST TRANSITION TO A GREEN ECONOMY

To carry out a green transition, North Macedonia has made some progress towards harmonisation with EU standards. Since 2011, only a few new laws on environmental issues have been adopted. The environmental legislation mostly consisted of the adoption of amendments to existing laws and the development of subsidiary legislation. The main motivation is the need to meet the requirements of the EU acquis. The speed of the process has not been fast, and alignment of the legal framework with the EU acquis remains at an early stage. A major reason is limitations to the national capacity for implementation,⁵² and North Macedonia's technical and administrative capacity needs to be improved. The country is preparing a climate law and a comprehensive strategy on climate action which are consistent with the EU 2030 framework. On the other hand, preparation of the National Energy and Climate Plans in line with obligations of the Energy Community is in its final stages, as is the mainstreaming of climate action in other sectors. However, the European Commission notes in its 2020 report on North Macedonia that more efforts are needed to implement the Paris Agreement.⁵³

FIGHT AGAINST POVERTY

Poverty remains a primary issue in North Macedonia, as over 20% of population was at risk of poverty in 2017. The percentage is very similar even after social transfers have been taken into account. Both indicators are around 5 percentage points above the EU average.⁵⁴

In the view of National Strategy Group, North Macedonia has made considerable progress in recent years to reduce poverty. The country is currently undergoing a comprehensive reform of its social protection system, which includes a complete reform of cash benefit schemes, as well as changes in how services are designed and delivered to beneficiaries. It is expected that this reform will help better target children and families with children living in poverty and that it will protect them more effectively from the devastating effects of poverty, the NSG states.

GOOD PRACTICE

MACEDONIA ANTI-POVERTY PLATFORM (MAPP)

In early 2020, a new initiative was launched to give a stronger voice to young people, who The MAPP⁵⁵ is a network dedicated to the fight against poverty, which is part of the European anti-poverty network. Its actions to mitigate poverty and its effects include advocacy and lobbying, research and analysis and concrete interventions. Among other documents, the MAPP produces the Poverty Watch reports, communication tools that aim to describe key developments and trends on poverty. They assess the impact of the EU, identify the key issues that have an impact on people in poverty and propose solutions. The approach of the MAPP is a participatory one: it strives to involve people experiencing poverty in decision-making processes that directly concern them.

52 United Nations (2019) Environmental Performance Reviews North Macedonia https://www.unece.org/fileadmin/DAM/env/epr/epr_studies/ECE_CEP.186_Eng.pdf

53 European Commission (2020) North Macedonia Report 2020 https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/north_macedonia_report_2020.pdf

54 Eurostat (2020) Income poverty Statistics https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Income_poverty_statistics&oldid=440992#At-risk-of-poverty_rate_and_threshold

55 Macedonia Anti-Poverty Platform (2020) About us http://www.mpps.org.mk/index.php?option=com_content&view=article&id=88&Itemid=104

HEALTHCARE

Overall, the organization of healthcare in North Macedonia is based on a well-established health system and network of public health services with good geographic distribution. However, differences exist at regional level for access to ambulatory specialists and healthcare at secondary level. The health network was introduced in 1991 with the goal of partially incorporating private healthcare actors into the public health system. Their role within the system is to provide health services – which are purchased by the Health Insurance Fund – when the public system is insufficient. Social discrepancies also affect healthcare in North Macedonia. Almost one-third of all health services are paid for out of pocket, so these have a big impact on inequalities in terms of unmet needs.⁵⁶ The National Strategy Group specifies that access to social protection, including healthcare, is guaranteed to asylum seekers, people who have been given asylum status and people with subsidiary protection.

A lack of medical staff, particularly specialists, and the underuse of technologically advanced medical equipment are other major issues for the national health system. To mitigate health inequalities, a programme has been activated that targets mainly the Roma community, people living in remote areas, people living with HIV/AIDS, drug users and people with disabilities. The Roma community encounters several obstacles in accessing health services.⁵⁷ It should be noted that the performance of health services in Macedonia over the past decade has been hard to assess due to a lack of quality statistics and data.⁵⁸ The National Strategy Group also mentions the introduction of an electronic health data management system in 2013 as a positive innovation that, among other things, substantially reduced waiting times for medical appointments. Despite its weaknesses, the healthcare system of North Macedonia responded well to the initial outbreak of Covid-19 in March 2020. Nevertheless, a second wave hit the country in the summer, and the system came under considerable stress.⁵⁹

56 European Observatory on Health Systems and Policies (2017) The former Yugoslav Republic of Macedonia Health system review https://www.euro.who.int/__data/assets/pdf_file/0006/338955/Macedonia-HiT-web.pdf?ua=1

57 European Commission (2020) Commission Staff Working Document – North Macedonia 2020 Report https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/north_macedonia_report_2020.pdf

58 European Observatory on Health Systems and Policies (2017) The former Yugoslav Republic of Macedonia Health system review https://www.euro.who.int/__data/assets/pdf_file/0006/338955/Macedonia-HiT-web.pdf?ua=1

59 European Commission (2020) North Macedonia Report 2020 https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/north_macedonia_report_2020.pdf

CIVIC SPACE

Based on the results of the monitor realised by CIVICUS, civic space in North Macedonia can be defined as narrowed. The National Strategy Group recognises the efforts of previous governments to involve civil society organisations in decision-making processes. Specifically, the NSG mentions the creation of the Code of Good Practice for Participation of the Civil Society in Policy Making Processes as relevant progress. However, there is a strong need to update this document in the coming years, as it was part of the Strategy for Cooperation of the Government with the Civil Sector 2012-2017. Some criticisms were raised about the lack of implementation of this strategy, especially by local governments.

FREEDOM OF ASSOCIATION

The legal framework for freedom of association was elaborated by a working group in the Ministry of Justice with the participation of prominent members of civil society. It was introduced in 2010 and is formally defined in Article 10 of the Law on Associations and Foundations. The law is harmonised with the European Convention on Human Rights and, in most part, with the Fundamental Principles on the Status of Non-Governmental Organizations in Europe adopted by the Council of Europe. However, its implementation in practice still remains a challenge. In 2017 a substantial number of cases were reported of indirect pressure, inspections and obstruction on the part of the institutions. In fact, the law does not include a regulation on protection

from involvement of third parties.⁶⁰ Recently some changes have been introduced through the Law for Public Gatherings and the Law on Police, which are not in line with legislation or with the nature of civil society activities.⁶¹ According to the National Strategy Group, these dispositions are a threat to the right of peaceful assembly.

FREEDOM OF SPEECH AND SOCIAL DIALOGUE

Concerning freedom of speech, North Macedonia is 92nd in the 2020 World Press Freedom Index ranking elaborated by Reporters Without Borders, three positions higher than the previous year and with a score improved by 0.38 points. The national report by Reporters Without Borders points out that, although the current government has ceased to finance advertising of its actions, municipalities have not, and this remains a limitation to press freedom and a form of pressure. Furthermore, senior government officials demonstrate a tendency to threaten and insult journalists. The number of physical attacks on journalists has declined, but there is a growing practice of cyberbullying and verbal abuse.⁶²

Social dialogue in North Macedonia is weak, as is the role of social partners. Trade union membership is decreasing in parallel with unions' capacity to represent workers' rights. In the private sector, bipartite social dialogue is poor, and social partners do not contribute to the reinforcement of collective agreements.⁶³

60 Ognenovska, S. & Trajkovska, S. (2017) Monitoring of the Enabling Environment for Civil Society Development in Macedonia in 2017 <https://rcgo.mk/wp-content/uploads/2018/10/report-on-the-enabling-environment-for-civil-society-development-in-macedonia-in-2017.pdf>

61 USAID (2019) North Macedonia 2019 Human Rights Report <https://www.state.gov/wp-content/uploads/2020/02/NORTH-MACEDONIA-2019-HUMAN-RIGHTS-REPORT.pdf>

62 Reporters without Borders (2020) North Macedonia <https://rsf.org/en/north-macedonia>

63 European Commission (2020) North Macedonia 2020 Report https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/north_macedonia_report_2020.pdf



COUNTRY MONITOR: THE NETHERLANDS



The Covid-19 pandemic has worsened existing inequalities and weaknesses in the Dutch social security system. The underinsurance of the ever-growing number of lone self-employed workers (ZZPers) has left many of them in a precarious position. The National Strategy Group (NSG) also identifies the lack of affordable (social) housing, both for renters and aspiring buyers, as one of the most pressing issues in the Netherlands. Like the European Commission, our NSG is also concerned by the growing shortage of qualified health-care workers, which the current pandemic has made even more acute. In addition, it also points out the increasing decentralisation of public (social) services, including the integration of newcomers, youth care, mental health-care and guidance for people receiving social

assistance. Shifting these responsibilities from the national to the municipal level risks creating inequalities in terms of access and quality of service between municipalities. Though we see some positive developments in domestic taxation, the Netherlands remains a tax haven, allowing billions in tax revenue to be funnelled out of other European Union member states each year. Finally, civic space in the Netherlands shows contrasting trends. Despite the Covid-19 measures, the country experienced a wave of mass protests. At the same time, authorities have struggled to protect public safety during these demonstrations, which sometimes turned violent. Furthermore, journalists and politicians are facing increasing threats and attacks, especially from right-wing extremist groups.

	2018	2019	EU-28 2019
GINI index ¹	27.4	26.8	30.1
Unemployment ²	3.8%	3.4%	6.3%
Gender Equality Index ³	72.1 (2019)	74.1 (2020)	67.9 (2020)
In-work poverty ⁴	6.1%	5.4%	9.2%
Housing Overcrowding ⁵	4.1%	4.8%	15.6%
CIVICUS Civic Space Monitor ⁶		OPEN	N/A

Selected indicators on the state of social rights

1 Eurostat (2020). Gini coefficient of equivalised disposable income: http://appsso.eurostat.ec.europa.eu/nui/show.do?lang=en&-dataset=ilc_di12

2 Eurostat (2020). Unemployment by sex and age: annual data: https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_rt_a&lang=en

3 European Institute for Gender Equality (2020). Gender Equality Index: <https://eige.europa.eu/gender-equality-index/2020/BE>

4 Eurostat (2020). In-work at-risk-of-poverty-rate: <https://ec.europa.eu/eurostat/databrowser/view/tespm070/default/table?lang=en>

5 Eurostat (2020). Overcrowding rate by age, sex and poverty status – total population https://ec.europa.eu/eurostat/databrowser/view/ilc_lvho05a/default/table?lang=en

6 CIVICUS (2020). Civic space monitor - The Netherlands: <https://monitor.civicus.org/country/netherlands/>

EQUAL OPPORTUNITIES AND FAIR WORKING CONDITIONS

The National Strategy Group for the Netherlands, led by Humanitas, reports that the Dutch tax system was simplified in 2020, a reform that had originally been planned for 2021. Under the new system, the two lowest tax brackets will be merged into one, and the general tax credit and tax credit for workers will be increased. Overall, this is expected to reduce tax pressure on low and middle incomes. The reform is furthermore intended to incentivise labour market participation – or to ‘make work pay’, as the government puts it.⁷ In addition, new tax benefits to promote climate-friendly behaviour have been introduced. This has become especially relevant since the Urgenda Foundation sued the Dutch state for not doing enough to limit CO2 emissions. It won the case, and the Supreme Court ordered the state to make true on its commitment to reduce emissions by 25% by 2020 compared to 1990 levels.⁸ The new measures promote the use of bicycles and electric cars for commuting, make fossil fuels more expensive and encourage energy-efficient home improvements such as isolation and the installation of solar panels. Our National Strategy Group points out that these benefits will likely benefit mid- and high-income households the most, as they have the means to renovate their own homes, as well as employment conditions that provide for an electric company car or bicycle. However, despite these positive developments in domestic taxation, the Netherlands continues to be a tax haven. Its tolerance of aggressive tax-planning schemes is estimated by the

European Parliament to cost other EU Member States about EUR 11 billion annually in lost tax revenue.⁹

PRECARIOUSNESS

Precarious work continues to be a critical problem in the Dutch labour market. Vulnerable groups, such as young people, low-educated people, migrants and women are prone to working under precarious conditions, such as temporary contracts and temp-jobs. In the 2019 Social Rights Monitor, the National Strategy Group for the Netherlands already drew attention to the worrying trend of bogus self-employment in the Netherlands. Workers are increasingly encouraged (or forced) to become ‘self-employed’, only to be hired for jobs that were previously done by traditional employees, but with less protection and social security. Since then, the number of lone self-employed workers (ZZPers) has increased, to 1.125 million (one-eighth of the working population) at the beginning of 2020. If we also consider part-time self-employed workers, the number reaches 1.8 million.¹⁰

Because of the precarious nature of their employment and the sectors in which many ZZPers are active, this group was hit especially hard by the onset of the Covid-19 pandemic. By April already, 324,000 self-employed workers had requested government support.¹¹ The

7 Rijksoverheid (2020). Sneller naar het Tweeschijvenstelsel: <https://www.rijksoverheid.nl/onderwerpen/belastingplan/belasting-wijzigingen-voor-ons-allemaal/tweeschijvenstelsel-inkomstenbelasting#:~:text=In%202019%20zijn%20er%20drie,zijn%20er%20nog%20twee%20schijven>.

8 Urgenda Foundation (2020). Klimaatzaak tegen de Staat: <https://www.urgenda.nl/themas/klimaat-en-energie/klimaatzaak/>

9 Waterval, D. (2020). Belastingklimaat Nederland kost rest van de wereld 22 miljard euro: <https://www.trouw.nl/nieuws/belastingklimaat-nederland-kost-rest-van-de-wereld-22-miljard-euro~bc322f41/?referrer=https%3A%2F%2Fwww.google.com%2F>

10 CBS (2020). Arbeidsdeelname; kerncijfers: <https://opendata.cbs.nl/statline/#/CBS/nl/dataset/82309NED/table?ts=1596637624918>

11 FNV ZZP (2020). Beroep op Tijdelijke Overbruggingsregeling Zelfstandig Ondernemers (Tozo) groeit: <https://fnvzpz.nl/nieuws/2020/04/beroep-op-tijdelijke-overbruggingsregeling-zelfstandig-ondernemers-tozo-groeit#:~:text=Het%20totaal%20aantal%20aanvragen%20voor,van%20het%20totaal%20aantal%20gemeenten>

government has made EUR 2.45 billion available to support ZZPers' income, up to a maximum of EUR 1,500 a month.¹² In a letter to 140 municipalities, experts warn that many of the self-employed will be in financial difficulties as soon as the government support ends. They fear that a wave of debt will bankrupt many self-employed people and that municipalities are not prepared.¹³ In addition, the National Strategy Group expects that the Covid-19 pandemic will worsen the rising trend of in-work-poverty.

In January 2020, a new law entered into force, aiming to create more balance in the labour market by reducing the differences between traditional and flexible work contracts (Wet Arbeidsmarkt in Balans - WAB). The law reduces the social security benefits employers pay for permanent employees while at the same time providing more security for flexible workers and payroll workers.¹⁴ This might come just in time, as our National Strategy Group expects the number of flex workers compared to traditional workers to increase for the foreseeable future in response to the insecurity due to the Covid-19 pandemic and the different containment measures put in place.

GENDER EQUALITY

Gender equality is still not a reality in the Dutch labour market, especially in higher-level positions. Research on the career paths of people in management positions points towards the high rate of part-time work amongst women as one of the factors preventing women from

reaching top positions. As part-time work is widely accepted in the Dutch labour market, the research finds that holding a mid-level management position as a part-time worker (28-34 hours a week) poses no problem, but that for top positions full-time commitment (at least 40 hours a week) is the norm.¹⁵ In 2013, the government introduced a target of 30% for the representation of women on the boards of directors and boards of commissioners of private businesses. In 2020, the number of women in these positions rose, but the percentage was 26.7%, and the target was not reached.¹⁶ By 2021, 30% will become a legal quota. Companies that have not reached 30% will be obliged to fill any position on the board that opens up with a woman.¹⁷ Another positive step towards more gender equality in the labour market is the increase in parental leave. From July 2020 onwards, the partner of the parent giving birth can take an additional five weeks of leave during the first six months of the baby's life, on top of the first week.¹⁸

SOCIOECONOMIC IMPACT OF COVID-19

Up until the beginning of the Covid-19 pandemic, the Dutch economy showed robust growth. The employment rate was at a record high, and unemployment had never been lower.¹⁹ Although the measures taken to contain the spread of the virus in the Netherlands have been less strict than in some other European countries, their impact reinforced the already-existing inequalities in the labour

12 Anderson, J., Bergamini, E., Brekelmans, S., Cameron, A., Darvas, Z., Domínguez Jiménez, M., & Midõesm C. (2020). The fiscal response to the economic fallout from the coronavirus: <https://www.bruegel.org/publications/datasets/covid-national-data-set/#netherlands>

13 NOS (2020). 'Schuldengolf zzp'ers op komst, en gemeenten niet klaar om hen te helpen': <https://nos.nl/artikel/2342535-schuldengolf-zzp-ers-op-komst-en-gemeenten-niet-klaar-om-hen-te-helpen.html>

14 Rijksoverheid (2020). Wet arbeidsmarkt in balans (WAB): wat is er veranderd sinds 1 januari 2020: <https://www.rijksoverheid.nl/onderwerpen/arbeidsovereenkomst-en-cao/plannen-kabinet-voor-meer-balans-tussen-vast-werk-en-flexwerk>

15 SCP (2020). Leidinggevende posities ook in deeltijd mogelijk: <https://www.scp.nl/actueel/nieuws/2020/06/25/leiding-gevende-posities-ook-in-deeltijd-mogelijk>

16 NOS (2020). Aandeel topvrouwen bij selectie bedrijfsleven gestegen: <https://nos.nl/artikel/2340052-aandeel-topvrouwen-bij-selectie-bedrijfsleven-gestegen.html>

17 NOS (2020). Bijna alle AEX-bedrijven voldoen aan vrouwenquotum, behalve ABN Amro: <https://nos.nl/artikel/2340759-bijna-al-aex-bedrijven-voldoen-aan-vrouwenquotum-behalve-abn-amro.html>

18 Rijksoverheid (2020). Geboorteverlof voor partners: <https://www.rijksoverheid.nl/onderwerpen/geboorteverlof-en-partnerverlof/geboorteverlof-voor-partners>

19 CBS (2020). Arbeidsdeelname en werkloosheid per maand: <https://opendata.cbs.nl/#/CBS/nl/dataset/80590ned/table?ts=1596536192850>

market and brought to light the weaknesses of the social security system. The effect on the labour market and people's incomes was unprecedented: between March and June 2020, 131,000 people lost their jobs, increasing the number of unemployed workers by almost half.²⁰ The Central Bureau of Statistics points out that from May to June unemployment rose from 3.6% to 4.3%. In comparison, during the 2008-2009 financial crisis it took seven months for the same increase to take place.

Precarious workers were hit disproportionately by the negative employment effects of the crisis. The National Strategy Group reports that 80% of flex workers with zero-hour contracts lost many or even all of the working hours they had. In addition, nearly one-third of people working through temping agencies lost their job. Many others are still employed only thanks to the various support measures.

Overall, our National Strategy Group reports that youth unemployment has been declining, and the gap with overall unemployment has been shrinking. Nevertheless, at 6.7% in 2019, youth unemployment was still twice as high as the overall figure. With many young people working in the sectors hit hardest by the Covid-19 measures, such as the hospitality sector, this number is expected to rise again in 2020. In the second quarter of 2020, unemployment amongst 15-to-25-year-olds rose to

9.5%, compared to 3.8% for the overall population.²¹ Moreover, young people with small, flexible jobs were not covered by the first two rounds of Covid compensation measures. The Covid-19 pandemic is also negatively impacting young people's careers, as it has interrupted internships, practical lessons and exams.

The Covid-19 pandemic has also had a widespread effect on working conditions, which is expected to last (at least partially) after the pandemic is over. The need to socially distance has accelerated the spread of flexible working times and places, including working from home. Our National Strategy Group reports that employers in general used to be rather hesitant to let employees work from home, but they now seem more open to the practice. Half of Dutch office workers indicate they would like to continue working from home for some days of the week in the future.²²

The first round of the government's financial response to Covid-19's impact on the economy supported the incomes of 2 million workers. In return for the government covering up to 90% of workers' wages, companies making use of this arrangement were not allowed to lay off any staff. For the second round of support, stretching from June to September 2020 and extended into 2021, this requirement was eased, which led to more people losing their jobs over summer.²³

20 CBS (2020). Unemployment rises to 404 thousand in June: <https://www.cbs.nl/en-gb/news/2020/29/unemployment-rises-to-404-thousand-in-june>

21 CBS (2020). Arbeidsdeelname en werkloosheid per maand: <https://opendata.cbs.nl/#/CBS/nl/dataset/80590ned/table>

22 Willemsen, M. (2020). Thuis wordt de rustige werkplek, het kantoor een soort Starbucks: <https://www.nrc.nl/nieuws/2020/06/11/thuis-wordt-de-rustige-werkplek-het-kantoor-een-soort-starbucks-a4002541>

23 Rijksoverheid (2020). Coronavirus: kabinet neemt pakket nieuwe maatregelen voor banen en economie: <https://www.rijksoverheid.nl/ministeries/ministerie-van-economische-zaken-en-klimaat/nieuws/2020/03/17/coronavirus-kabinet-neemt-pakket-nieuwe-maatregelen-voor-banen-en-economie> and Rijksoverheid (2020). Vragen over de Tijdelijke Noodmaatregel Overbrugging voor Werkgelegenheid (NOW): <https://www.rijksoverheid.nl/onderwerpen/coronavirus-financiele-regelingen/overzicht-financiele-regelingen/nou>

SOCIAL PROTECTION AND INCLUSION

One of the most pressing issues according to the National Strategy Group is the shortage of affordable housing in the Netherlands. At the moment there is a shortage of 4.2%, or 331,000, of the total stock of housing units. To keep up with population growth, and the consequent demand for housing, 845,000 new housing units will be needed by 2030.²⁴ People buying their first houses and those with lower incomes especially face problems finding adequate and affordable housing. A single person earning an average income can now afford to buy one of only 4.7% of the available houses. Despite the economic downturn caused by Covid-19, housing prices are expected to continue rising.²⁵ The government aims to reduce the housing shortage to 2% of the total housing stock by 2035.²⁶

EDUCATION

In the 2018-2019 academic year, 26,894 students left school early. The government has set new targets for each level of education to reduce the annual total of early school-leavers to a maximum of 20,000 by 2021. Schools that achieve their target will receive a financial reward.²⁷ Looking back on previous crises, the

National Strategy Group for the Netherlands recognises a pattern in which an economic downturn goes hand in hand with a rising number of early school-leavers, especially at the lower levels of education. They fear the same will happen in the wake of the Covid-19 crisis.

Despite a rising number of students graduating with a higher-level diploma, there are concerns about the deteriorating quality of education, especially in terms of its societal function of creating equal opportunities.²⁸ Due to Covid-19, schools and universities were temporarily closed and classes moved online, which likely exacerbated already-existing inequalities between students. At this stage it is still too early to say what the long-term effects of increased remote learning will be. The National Strategy Group points out that the cancellation of the final test in primary schools has caused around 14,000 primary school students to go to a lower level of high school than they would have under normal circumstances. This will strongly impact their future academic and professional careers. Especially students with a migration background and those with poorer and less-educated parents will be affected, increasing inequality in the education system.²⁹

24 Rijksoverheid (2020). Staat van de woningmarkt 2020: <https://www.rijksoverheid.nl/actueel/nieuws/2020/06/15/staat-van-de-woningmarkt-2020>

25 Trouw (2020). Bijna alle woningen zijn te duur voor mensen met modaal inkomen: <https://www.trouw.nl/economie/bijna-alle-woningen-zijn-te-duur-voor-mensen-met-modaal-inkomen~bb08cc3c/?referer=https%3A%2F%2Ft.co%2F1xGvjR2owY%3Famp%3D1>

26 Rijksoverheid (2020). Staat van de woningmarkt 2020: <https://www.rijksoverheid.nl/actueel/nieuws/2020/06/15/staat-van-de-woningmarkt-2020>

27 Rijksoverheid (2020). Maximaal 20.000 voortijdig schoolverlaters in 2021: <https://www.rijksoverheid.nl/onderwerpen/vsv/maximaal-20.000-voortijdig-schoolverlaters-in-2021>

28 Inspectie van het Onderwijs (2020). De Staat van het Onderwijs 2020: <https://www.onderwijsinspectie.nl/binaries/onderwijsinspectie/documenten/rapporten/2020/04/22/staat-van-het-onderwijs-2020/Staat+van+het+Onderwijs+2020.pdf>

29 NOS (2020). 'Duizenden groep 8-leerlingen lopen hoger schooladvies mis': <https://nos.nl/artikel/2339708-duizenden-groep-8-leerlingen-lopen-hoger-schooladvies-mis.html>

GOOD PRACTICE

REMOVING UNNECESSARY GENDER REGISTRATIONS

In order to promote gender equality, respect all gender identities and prevent (unconscious) gender discrimination, the Dutch government has announced that it will stop registering citizens' sex on identity documents. From 2024-2025, citizens will no longer have an F, M or X on their identity card. The registration of sex on passports will remain, as this is required by European law.³⁰

DECENTRALISATION

The National Strategy Group points to several difficulties arising from the decentralisation of public services by shifting responsibility from the national level to municipalities. The problems include the integration of newcomers, youth care, mental healthcare and guidance for people receiving social assistance.

Decentralisation risks creating inequalities, as citizens in some municipalities – where demand for services might be lower or services are simply more prioritised – enjoy better provision than those in others.

As of 2021, a new law on the integration (inburgering) of newcomers will take effect. The previous system, in place since 2013, was based on the principle of participation: a newcomer in the Netherlands was personally responsible for finding a school and making sure they completed their integration and Dutch-language courses. In practice this resulted in many low-quality language schools taking advantage of newcomers trying to fulfil their legal integration requirements or even committing fraud with the study grant available for the integration lessons.³¹ In the new decentralised system, municipalities are tasked with offering each newcomer a tailor-made integration process, which includes identifying a limited number of qualified schools that newcomers can pick from.³² Expectations are that this will not only put more pressure on local authorities, but also lead to bigger differences between municipalities.

30 NOS (2020). Sekse verdwijnt van Nederlandse identiteitskaarten: <https://nos.nl/artikel/2339485-sekse-verdwijnt-van-nederlandse-identiteitskaarten.html>

31 Stoffelen, A., de Zwaan, I., & van Uffelen, X. (2020). Bij taalscholen voor inburgeraars is frauderen wel heel makkelijk: <https://www.volkskrant.nl/kijkverder/v/2020/bij-taalscholen-voor-inburgeraars-is-frauderen-wel-heel-makkelijk~v386324/>

32 Rijksoverheid (2019). Maatwerk en snelheid centraal in nieuw inburgeringsstelsel: <https://www.rijksoverheid.nl/onderwerpen/immigratie-naar-nederland/nieuws/2019/06/25/maatwerk-en-snelheid-centraal-in-nieuw-inburgeringsstelsel>

CIVIC SPACE

As well as Covid-19, the year 2020 was marked by a wave of mass demonstrations in the Netherlands. The National Strategy Group especially highlights mass protests by farmers, climate marches, the black-lives-matter movement, protests against Covid-19 measures and protests both against and in favour of the traditional character Black Pete. The number of protests has risen in recent years,³³ as has their impact on public life. The NSG points out that protestors are choosing increasingly impactful ways of demonstrating, for example farmers driving their tractors through city centres and blocking highways.³⁴ During these demonstrations, authorities struggled to protect public safety, as rules were regularly neglected by protest organisers. The Dutch government has made exceptions to the pandemic measures limiting public gatherings, stating that, “authorities uphold the right to demonstrate, provided Covid-19 measures are respected by demonstrators.”³⁵

GOOD PRACTICE

COALITIE Y

In early 2020, a new initiative was launched to give a stronger voice to young people, who are notoriously underrepresented in traditional civil society organisations. Coalitie Y, a coalition of trade unions, politicians, student associations and other youth organisations, launched a manifesto to address the issues facing young people in the Netherlands, such as precarious work contracts, shortage of housing and increasing student debt.³⁶

Although the freedom of the Dutch press is generally well-protected by law, journalists are facing increasing threats and harassment both online and in person.³⁷ Many of the threats come from right-wing extremists and conspiracy theorists who believe the media and politicians are spreading fake news. The national news broadcaster, NOS, has even removed its logo from satellite vans to stop journalists and technical staff from being threatened and harassed.³⁸ Finally, the rate of trade union membership in the Netherlands is in decline: from 2017 to 2019, the number of trade union members decreased by 6%. Amongst young people (under 25) the decrease was 29%.³⁹

33 NOS (2019). Steeds meer demonstraties in Nederland, maar hoeveel zin hebben die eigenlijk? <https://nos.nl//2307693>

34 NOS (2019). Weer een week vol boerenprotest: een overzicht van de acties: <https://nos.nl/artikel/2306007-weer-een-week-vol-boerenprotest-een-overzicht-van-de-acties.html>

35 Rijksoverheid (2020). Gedeeltelijke lockdown om besmettingen terug te dringen: <https://www.rijksoverheid.nl/actueel/nieuws/2020/10/13/gedeeltelijke-lockdown-om-besmettingen-terug-te-dringen>

36 Coalitie-Y (2020). CU en jongerenorganisaties slaan handen ineen. : <https://coalitie-y.nl/news/cu-en-jongerenorganisaties-slaan-handen-ineen-2/>

37 Reporters without borders (2020). Netherlands: <https://rsf.org/en/netherlands>

38 NOS (2020). NOS haalt na aanhoudende bedreigingen logo van satellietwagens: <https://nos.nl/artikel/2352452-nos-haalt-na-aanhoudende-bedreigingen-logo-van-satellietwagens.html>

39 CBS (2019). Ruim 100 duizend minder mensen lid van de vakbond: <https://www.cbs.nl/nl-nl/nieuws/2019/43/ruim-100-duizend-minder-mensen-lid-van-de-vakbond#:~:text=25%2D10%2D2019%2000%3A,onder%20jongeren%20tot%2025%20jaar>

COMPARISON WITH THE COUNTRY SPECIFIC RECOMMENDATIONS

The European Commission's Country Specific Recommendations for the Netherlands refer to one of the main issues raised by the NSG, the status of self-employed workers.⁴⁰ They recommend protecting these workers better against sickness, disability, unemployment and old age. SOLIDAR agrees that self-employed workers, just like all workers and people, should be protected by adequate social protection. But this recommendation does not address the underlying problem of jobs that were previously done by traditional workers increasingly being outsourced to false self-employed workers. The recommendations do refer to the shortage of healthcare workers resulting from previous budget cuts and a rapidly aging labour force.⁴¹ But, regretfully, they do not address the pressure put on local governments to provide an increasing number of social (care) services. Without adequate support

from the national level, this situation is bound to aggravate regional inequalities, as municipalities with more people needing assistance will not be able to provide the quality of service needed.

The recommendations for the Netherlands briefly mention a need for more investment in housing. However, SOLIDAR considers this to be insufficient, as the shortage of adequate affordable housing, for both renters and aspiring buyers, is identified as an absolute priority by our National Strategy Group. Finally, SOLIDAR is pleased to see that the recommendations encourage the Netherlands to curb aggressive tax-planning schemes. If implemented well, a decline in these schemes could contribute to higher tax revenues in other European countries and rebalance the ratio between taxes on labour and capital.

40 European Commission (2020). Country Specific Recommendations – The Netherlands 2020: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020DC0519&from=EN>

41 Nieuwsuur (2019). Tekort aan zorgpersoneel: maar die grijze golf zagen we toch al lang aankomen? <https://nos.nl/nieuwsuur/artikel/2277647-tekort-aan-zorgpersoneel-maar-die-grijze-golf-zagen-we-toch-al-lang-aankomen.html>



solidar

 **TOGETHER FOR
SOCIAL EUROPE**

COUNTRY MONITOR: SERBIA



In recent years, Serbia's economic growth has been robust. Annual real GDP growth accelerated significantly to 4.3% in 2018 and remained stable between 2019 and the beginning of 2020. Per capita GDP in purchasing power terms increased – albeit slightly – between 2009 and 2019. Nevertheless, the income gap with the EU has remained broadly unchanged over the last decade. As with all countries in Europe, the Covid-19 pandemic is expected to slow down the pace of GDP growth.¹ The level of people at risk of poverty and social exclusion has been decreasing slowly but steadily over the past few years. However, the level remains much higher than the EU average.² Similarly, a positive trend can be observed in youth unemployment, which has been decreasing over the past decade but is still more than double the EU average.³ Youth unemployment is one of the major socio-economic issues in the country and among the root causes of Serbia's brain drain. Precariousness, especially in the

form of agency employment, is another major issue affecting the labour market.

The National Strategy Group points out that the inclusion of migrants, asylum seekers and refugees is still a prominent topic in the country. They face various kinds of obstacles to complete and adequate inclusion in Serbian society. The NSG points out that Covid-19 has complicated the matter and mentions some alarming episodes. There were parliamentary elections in 2020, which were initially planned for April but were moved to June because of the state of emergency. The Serbian Progressive Party won over 60% of the vote in one of the most controversial elections in the Republic of Serbia. The opposition boycotted the elections, claiming they would not be free and fair amid President Aleksandar Vučić's grip on power.⁴ Strong concerns were raised by CSOs over the state of civic space and fundamental freedoms.

1 European Commission (2020) Commission Staff Working Document Serbia 2020 Report https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/serbia_report_2020.pdf

2 Eurostat (2020) People at risk of poverty or social exclusion https://ec.europa.eu/eurostat/databrowser/view/t2020_50/default/table?lang=en

3 Eurostat (2020) Youth unemployment rate by sex, age and country of birth https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=yth_empl_100&lang=en

4 Euro news (2020) Serbia election: President Vucic declares landslide win in controversial parliamentary vote <https://www.euronews.com/2020/06/19/serbia-votes-all-you-need-to-know-about-europe-s-first-national-election-since-covid-19-lo>

	2018	2019	EU-28 2019
Gini index ⁵	35.6	33.3	30.1
Unemployment ⁶	12.8%	10.5%	6.3%
Gender Equality Index ⁷	N/A	N/A	67.9 (2020)
In-work poverty ⁸	9.9%	9.1%	9.2%
Housing Overcrowding ⁹	53.3%	53.3%	15.6%
CIVICUS Civic Space Monitor ¹⁰		OBSTRUCTED	N/A

Selected indicators on the state of social rights

EQUAL OPPORTUNITIES AND ACCESS TO THE LABOUR MARKET

INCLUSION OF MIGRANTS

Migration into and out of the Republic of Serbia has been turbulent over recent decades. During the 1990s, migration consisted mainly of refugees from the former Yugoslavia or Kosovo, as well as Serbs moving to Western Europe and North America. More recently, a new type of migration has emerged, as people from Asia and Africa arrive in the country. In the light of such developments, the government realised that the fragmentation of migration management was an issue. It therefore adopted the Migration Management Strategy (RS Official Gazette, No. 59/09) in 2009 and the Law on Migration Management (Official Gazette of RS, No. 107/12), which were intended to increase the coordination of migration management and establish comprehensive and continuous monitoring of migration flows.¹¹

The Serbian legal framework for migration foresees assistance for the inclusion of migrants in society and access to basic services such as education, housing and employment. Nevertheless, the National Strategy Group for Serbia points out a series of issues around the regulation of migration. In 2018, a new Law on Foreigners (Official Gazette of RS no. 24/2018) was approved. The law makes it possible for undocumented immigrants or those whose documents do not meet the requirements defined by Serbian law to be granted a temporary residence permit if this is in accordance with the interests of the Republic of Serbia or for humanitarian reasons.¹² Although the National Strategy Group welcomes this introduction, it underlines that Serbia does not have a clear definition of a tolerated, informal stay and that this regulatory hole can lead to uneven treatment of certain categories of undocumented

5 Eurostat (2020). Gini coefficient of equivalised disposable income: http://appsso.eurostat.ec.europa.eu/nui/show.do?lang=en&-dataset=ilc_di12

6 Eurostat (2020). Unemployment by sex and age: annual data: https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_rt_a&lang=en

7 European Institute for Gender Equality (2020). Gender Equality Index: <https://eige.europa.eu/publications/gender-equality-index-2020-key-findings-eu>

8 Eurostat (2020). In-work at-risk-of-poverty-rate: <https://ec.europa.eu/eurostat/databrowser/view/tespm070/default/table?lang=en>

9 Eurostat (2020). Overcrowding rate by age, sex and poverty status – total population: https://ec.europa.eu/eurostat/databrowser/view/ilc_lvho05a/default/table?lang=en

10 CIVICUS (2020). Civic space monitor - Serbia: <https://monitor.civicus.org/country/serbia/>

11 Commissariat for Refugees and Migration Republic of Serbia (n.a.) About Migrations http://www.kirs.gov.rs/wb-page.php?kat_id=216

12 Law on Foreigners, Official Gazette of RS no. 24/2018 <http://www.mup.gov.rs/wps/wcm/connect/004ebee-f0a9-4116-9797-e24889136d03/law+on+foreigners+Official+Gazette+of+the+RS++no+24+2018.pdf?MOD=AJPERES&CVID=mpkHoAB>

immigrants and the risk of violating human rights. Furthermore, the NSG highlights that, even though the Law on Asylum and Temporary Protection (Official Gazette of RS, No. 24/18) obliges the Republic of Serbia to provide the right to asylum and to enable the naturalization of refugees, it does not provide specific guidance in this direction.

The Ministry of Education, Science and Technological Development has established the ENIC / NARIC Centre, a specific unit in the Agency for Qualification that is in charge of recognizing foreign certificates for education and other qualifications. This is of fundamental importance to the inclusion of migrants in the educational system and labour market.¹³ However, the NSG notices that asylum seekers and refugees very often do not hold the original versions of their diplomas, which causes problems in the recognition process and for job searches. To assist migrants in accessing the labour market as an integral part of the integration process, Serbian authorities in December 2016 enacted a Decree on the Integration of Foreigners Granted Asylum in Social, Cultural and Economic Life (Integration Decree).¹⁴ Persons under subsidiary protection and asylum seekers who have been waiting for a decision on their asylum request for at least nine months have the right to obtain a temporary work permit.¹⁵ The National Strategy Group stresses that the administrative fees for work permits represent an obstacle for people who find themselves in a precarious economic situation.

The Ministry of Labour, Employment, Veteran and Social Affairs oversees the regulations on social welfare for persons seeking or granted

asylum and has elaborated a Rulebook on Social Welfare for Persons Seeking or Granted Asylum (RSW).¹⁶ According to this rulebook, people seeking or granted asylum may receive monthly financial aid if they are not housed in an asylum centre and if they and their family members either do not receive an income or their income is lower than the threshold required by the rulebook. Therefore, this rulebook only allows social welfare to be provided to persons residing in private accommodation. This could be considered counterintuitive, as people staying in such accommodation usually enjoy a better financial situation.¹⁷

The National Strategy Group reports that some worrying episodes concerning the management of refugees and asylum seekers have taken place since the beginning of the Covid-19 emergency. On 6 May 2020, the Health Ministry adopted the Order Restricting Movement on Roads Leading to Asylum and Reception Centre Facilities and Grounds.¹⁸ This prohibits refugees, asylum seekers and irregular migrants from leaving asylum and reception centres. A number of CSOs filed an appeal with the Serbian Constitutional Court to review the constitutionality and legality of the order, as they claimed that it does not respect the proportionality principle and that it constitutes an unwarranted restriction of people's right to liberty and security. These CSOs specified that the state of emergency in Serbia had already been lifted before the order was introduced and that no medical explanation had been given by authorities to justify the new rule. Furthermore, the CSOs noted that many of the centres affected by the order were overcrowded and had substandard hygiene.¹⁹

13 Enic-Naric.net (n.a.) Serbia <https://www.enic-naric.net/serbia.aspx>

14 Decree on the Integration of Foreigners Granted Asylum in Social, Cultural and Economic Life, Official Gazette, no. 101/16 and 56/18

15 Employment of Foreigners Act, Official Gazette of the RS, no. 128/2014.

16 Rulebook on Social Welfare for Persons Seeking or Granted Asylum, Official Gazette no. 44/2008.

17 AID; ECRE (2020) Social Welfare – Serbia https://www.asylumineurope.org/reports/country/serbia/social-welfare#_ftnref9

18 Official Gazette of the RS, No. 66/2020, "Order on the restriction of movement at the entry points to the open space and the facilities of the reception centres for migrants and asylum centres"

19 Belgrade Centre for Human Rights (2020) Initiative Filed with the Constitutional Court to review the Constitutionality and Legality of the Order Restricting Movement on Roads Leading to Asylum and Reception Centre Facilities and Grounds <http://www.bgcentar.org.rs/bgcentar/eng-lat/initiative-filed-with-the-constitutional-court-to-review-the-constitutionality-and-legality-of-the-order-restricting-movement-on-roads-leading-to-asylum-and-reception-centre-facilities-and-grounds/>

Another episode concerned a public tender to purchase 2.5 tons of razor wire to construct fences around migrant reception centres and accommodation centres for asylum seekers. The request for quotations was published on the Ministry of Defence website on 15 May 2020. Based on the information on the official website, iron posts and galvanised tying wire were also procured. In addition, the Ministry disclosed that the Serbian armed forces had been given a task not typically performed in times of peace, which was to secure the migrant centres.²⁰ In response, Info Park, the Initiative for Economic and Social Rights A11 and the Psychosocial Innovations Network PIN issued a joint statement²¹ calling on the Ministry of Defence to withdraw the procurement tender for the razor wire and other materials.

EDUCATION AND YOUTH UNEMPLOYMENT

Education in Serbia shows some improvements, but the skills mismatch is still high. Public expenditure on education was around 3.1% of GDP in 2018, while the EU average was around 5%. The 2018 PISA assessment showed that Serbian students' performance was below the OECD average in all areas assessed.²² The rate of early school leavers in Serbia has been decreasing since 2010, when it was 8.3%, and it stood at 6.6% in 2019. This was below the EU-28 average of 10.3%. In addition, there are no gender imbalances, as both sexes register the same percentage of early leavers.²³ Furthermore, enrolment and

attainment rates in pre-university education remain high.

However, this is not the case for early childhood education and care, as still only half of children aged between six months and 6.5 years attend this type of service. The educational (and employment) situation in Serbia is characterised by a brain drain, which is, together with a negative demographic trend, among the causes of the reduction in the student population.²⁴ According to research conducted by the cabinet of the minister without portfolio responsible for demography and population policy, the share of university students planning to seek a job in Germany is 24.2% (of 2,700 university students). The next most popular countries include Switzerland, Austria, and the United States. However, more than half of students (51.6%) would not leave Serbia if they were provided with a job opportunity linked to their field of study. Furthermore, about 15% would stay in the country if they were provided with resources to start their own business.²⁵ This trend was confirmed by the Alternative Report on the Position and Needs of Youth in Serbia, conducted by the National Youth Council of Serbia (KOMS). According to this report, the majority of the young and educated workers interviewed go abroad because their knowledge is more valued outside their country.²⁶ The National Strategy Group also comments that, due to corruption in the educational system (e.g., fake diplomas), young people do not feel incentivised to study. It adds that, as a consequence of the skills mismatch in the labour market, young people decide to leave school

20 EURACTIV (2020) BELGRADE – Ministry buys 2.5 tons of razor-wire to fence off migrant centers https://www.euractiv.com/section/politics/short_news/belgrade-ministry-buys-2-5-tons-of-razor-wire-to-fence-off-migrant-centers/

21 Info Park (2020) Razor wire for refugees and migrants - an end of the humanitarian approach <https://www.facebook.com/infoparkserbia/posts/razor-wire-for-refugees-and-migrants-an-end-of-the-humanitarian-approachbelgrade/2895253903862188/>

22 European Commission (2020) Commission Staff Working Document Serbia 2020 Report https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/serbia_report_2020.pdf

23 Eurostat (2020) Early leavers from education and training by sex and labour status https://ec.europa.eu/eurostat/databrowser/view/edat_lfse_14/default/table?lang=en

24 European Commission (2020) Commission Staff Working Document Serbia 2020 Report https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/serbia_report_2020.pdf

25 Pavlović, D., Bjelica, D., & Domazet, I. (2019). What Characteristics in the Youth Labour Market of Serbia Are Likely to Result in Employment? <http://idn.org.rs/ojs3/stanovnistvo/index.php/STNV/article/view/350>

26 KOMS (2019) Alternative Report on the Position and Needs of Youth in the Republic of Serbia <https://koms.dpmedia.rs/baza/2020/09/24/alternative-report-about-the-position-and-needs-of-the-youth-in-republic-of-serbia-2020-summary/>

earlier than they had planned, as they believe they will not be able to pursue the career they studied for.

Unfortunately, youth unemployment is also a major issue in Serbia. The rate of youngsters aged 15-29 who are unemployed has been steadily decreasing since 2011: it has almost halved since then, from 42.0% to 21.6% in 2019. But it is still more than twice the average rate in the EU-28 (10.7%).²⁷ The inactivity rate for the same age group was over 70% in 2019.²⁸ Moreover, young people not in education, employment or training (NEETs) represented 15.3% of the population aged 15-24 in 2019, more than 5 percentage points above the averages for the EU-27, EU-28 and euro area.²⁹ It is therefore not surprising that one of the main reasons why six out of 10 young people wish to move out of the country is the situation

in the labour market. Based on the KOMS survey, young people are also penalised by doing undeclared work, which leaves them with no social or economic guarantees and is among the reasons why they decide to build their futures abroad.³⁰

The National Strategy Group mentions the National Youth Strategy 2015-2025 as one of the main policies put in place in the last years to combat youth unemployment. The focus of the strategy is to increase youth entrepreneurship and strengthen youths' skills to help them access the labour market more successfully.³¹ Nevertheless, the National Strategy Group notices that the policy has yielded results in terms of increased flexibility on the part of young people to work outside their area of choice, but it has not improved the situation of youth employment structurally.

27 Eurostat (2020) Youth unemployment rate by sex, age and country of birth https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=yth_empl_100&lang=en

28 Eurostat (2020) Activity rate by age https://ec.europa.eu/eurostat/databrowser/view/tepsr_wc160/default/table?lang=en

29 Eurostat (2020) Young people aged 15-24 neither in employment nor in education and training (NEET), by sex - annual data https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfsl_neet_a&lang=en

30 KOMS (2019) Alternative Report on the Position and Needs of Youth in the Republic of Serbia <https://koms.dpmedia.rs/baza/2020/09/24/alternative-report-about-the-position-and-needs-of-the-youth-in-republic-of-serbia-2020-summary/>

31 Ministry of Youth and Sports (2014) National Youth Strategy 2015-2025 <http://www.mos.gov.rs/wp-content/uploads/download-manager-files/Nacionalna%20strategija%20za%20mlade%20-%20ENG.pdf>

FAIR WORKING CONDITIONS

COVID-19

Working conditions in Serbia, like in many other European countries, have been greatly impacted by the Covid-19 pandemic. Employers have been required to guarantee safe working conditions to their employees and to activate teleworking whenever possible. In all other cases alternative solutions have been encouraged, such as working in shifts and night work.³² After the state of emergency was lifted, the Crisis Headquarters for the suppression of Infectious Disease Covid-19 held its 20th session in April 2020. This issued a conclusion recommending that all business entities continue to operate at full capacity, while applying preventive measures to ensure the safety of employees and service users.³³ Yet, the National Strategy Group specifies that it is still necessary to monitor whether everyone is adhering to the general safety and hygiene measures in the workspace and whether the rights of the workers are being respected in full.

During these unprecedented times, a particularly serious episode was been reported in the media. Workers employed in the South Korean cable and harnessing manufacturing company Yura Corporation reported that health and safety measures in the workplace were not respected, as the work environment was overcrowded. Nevertheless, the Ministry of Labour, Employment, Veteran and Social Affairs conducted three inspections and concluded that Yura Corporation had respected all the measures required.³⁴ The NSG reports that the situation escalated when the Yura plant in

Leskovac became a coronavirus hotspot. The Ministry of Labour, Employment, Veteran and Social Affairs published an analysis of work during the state of emergency, from which it emerged that the Labour Inspection performed 1,572 inspections, of which 644 were requested by employees, or 41% of the total number of inspections.³⁵

GOOD PRACTICE

PIN – PSYCHOSOCIAL INNOVATION NETWORK

The Psychosocial Innovation Network³⁶ is a Serbian NGO that strives to establish and promote a multisector, evidence-based, comprehensive, and efficient model of psychosocial support. It engages beneficiaries, service providers, local communities, and policymakers in the creation of systemic and sustainable solutions for mental health protection and improvement. During the Covid-19 pandemic, the organization carried out its activities online, including its psychosocial support for migrants. In this way, it was able to keep delivering its projects during the crisis, while protecting its staff against infection. Since the Covid-19 outbreak, PIN – in collaboration with UNFPA Serbia and with the support of the German Embassy in Belgrade – has been offering psychosocial support for Covid-19 patients and care workers to overcome psychological difficulties caused by the coronavirus pandemic.

32 PROPISI.NET (2020) VAŽNO: Detaljno objašnjenje prava i obaveza radnika i poslodavaca u toku vanrednog stanja <https://www.propisi.net/vazno-detaljno-objasnjenje-prava-i-obaveza-radnika-i-poslodavaca-u-toku-vanrednog-stanja/>

33 Amcham Serbia (2020) Covid-19 in Serbia <http://www.amcham.rs/combating-covid-19/covid-19-in-serbia.1100.html>

34 Ministry of Labour, Employment, Veteran and Social Affairs (2020) "YURA Corporation" complied with all measures within the competence of the labour inspection <https://www.minrzs.gov.rs/srb-lat/aktuelnosti/vesti/%E2%80%9Cyura-corporation%E2%80%9C-ispostovala-sve-mere-koje-su-u-nadleznosti-inspekcije-rada>

35 Ministry of Labour, Employment, Veteran and Social Affairs (2020) Analysis and results of the work of the Ministry of Labour, Employment, Veteran and Social Affairs <https://www.minrzs.gov.rs/sr/aktuelnosti/vesti/analiza-i-rezultati-rada-ministarstva-za-rad-zaposljavanje-boracka-i-socijalna-pitanja>

36 Psychosocial Innovation Network (2020) About us <https://psychosocialinnovation.net/en/about-us/>

PRECARIOUSNESS

The percentage of precarious workers in the Republic of Serbia increased from 2.2% in 2010 to 8.0% in 2019, after peaking at 10.1% in 2017. Despite the slight decrease since 2017, the rate of precarious workers in 2019 was more than three times that of the EU-27.³⁷ Workers employed through an agency are a category of precarious worker that is quite widespread in Serbia and that has not been regulated for a long time. The first private employment agencies were introduced in 2009 and there were 90 by 2016. These data are in line with the decreasing trend of full-timework on a contract without a fixed term, which went from 89% of jobs in 2009 to 78% in 2015. The lack of regulation has favoured the spread of private employment agencies, and evidence shows that workers rights have been violated in this unregulated environment. Some workers are not adequately paid for overtime work and night shifts, and very often they do not receive maternity or sick leave or compensation in case of occupational accidents or diseases.³⁸ A positive change came on 1 March 2020 with the adoption of the Law on Agency Employment. The positive contribution of the new law is that it clearly defines who can be hired via an agency and under what conditions – for instance, agencies are not allowed to offer temporary contracts. It will also help to monitor the number and the conditions of agency contracts. However, experts claim that risk factors still exist. Specifically, the law does not define a limit for the number of workers that can be hired on agency contracts for companies with more than 50 workers. This can harm both the workers directly involved and the labour market as a whole, as it can dangerously increase the

spread of the practice, destabilising the labour market. The status of agency workers is not in line with that of full-time regular employees in terms of employment rights.³⁹

GENDER EQUALITY

In 2016 Serbia was the first country outside the EU to introduce the Gender Equality Index elaborated by EIGE. This instrument allows gender equality issues to be identified. The latest report was issued in 2018 and used 2016 data. According to that report, Serbia's gender equality that year was 55.8, a 3.4-point improvement on the 2016 report, which used 2014 data. Despite the improvement in Serbia's score, its position in the ranking with all the EU countries did not change: it remained 22nd. Despite a slight increase in the score concerning the work sphere, work segregation became worse than the previous time.⁴⁰ The gender gap in employment was 9.6% in 2018, more than 5 percentage points below the EU average.⁴¹ Nevertheless, the employment rate for men (15-64 years) was 12.8 percentage points higher than that for women, and men's activity rate was 13.6 percentage points higher than women's. Some of the causes of female inactivity in Serbia are unpaid work in the household, the wage gap and employers' discriminatory treatment of young women.⁴²

In principle, equality in the Serbian labour market is granted under the Labour Law, the Law on Equality between Sexes, the Gender Equality Law, and the Law on the Prohibition of Discrimination, which forbids discrimination on any grounds against employees and candidates for employment. Nevertheless, in the

37 Eurostat (2020) Precarious employment by sex, age and NACE Rev. 2 activity https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfsa_qoe_4ax1r2&lang=en

38 ESPN (2017) Gaps in the regulation of private employment agencies in Serbia https://www.siceurope.eu/sites/default/files/field/attachment/espn_-_flash_report_2017-07_-_rs_-_february_2017.pdf

39 Masina (2019) Serbian Agency Employment Law: Will it help workers or put them in a disadvantage? <https://www.masina.rs/eng/serbian-agency-employment-law-will-help-workers-put-disadvantage/>

40 Social Inclusion and Poverty Reduction Unit Government of the Republic of Serbia (2018) Gender Equality Index for the Republic of Serbia http://socijalnoukljucivanje.gov.rs/wp-content/uploads/2018/12/Indeks_rodne_ravnopravnosti_u_Republici_Srbiji_2018_eng.pdf

41 Eurostat (2020) Gender pay gap in unadjusted form <https://ec.europa.eu/eurostat/databrowser/view/tessem180/default/table?lang=en>

42 European Commission (2020) Commission Staff Working Document Serbia 2020 Report https://ec.europa.eu/neighborhood-enlargement/sites/near/files/serbia_report_2020.pdf

National Strategy Group's view, based on what emerged from the above-mentioned report, Serbia lacks adequate implementation to prevent and address gender-based discrimination at work, and this fight is not among the government's priorities. Goals and measures to promote gender equality in Serbia are defined by the umbrella National Strategy for Gender Equality (2016–2020).⁴³ The National Strategy Group points out that a new gender equality law has been discussed for some time, and it is expected to be introduced soon, according to Deputy Prime Minister Zorana Mihajlovic, who is also President of the Coordination Body for Gender Equality of the Republic of Serbia.⁴⁴ This body, which has been active since 2014, is a national coordination mechanism for gender equality issues with a mandate to coordinate the work of state administration bodies and other institutions to improve gender equality. Since the Covid-19 outbreak, it has also supported regional dialogue over a gender-sensitive response to the crisis. Another instrument that can help Serbia achieve gender equality is the project 'Key Steps towards Gender Equality', which is implemented jointly by the Coordination Body for Gender Equality, the Ministry of European Integration and the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women), with the financial support of the EU Delegation to Serbia. The project aims to help the government effectively implement EU laws on gender equality, as well as the National Strategy for Gender Equality 2016-2020. The project also aims to improve the position of women and support local communities in meeting their

gender equality obligations. The overall objective is to support the government's efforts to comply with national and international obligations and with the EU legislative framework on gender equality.⁴⁵ Although the National Strategy Group considers the measures listed so far to be satisfactory overall, and it states that they are in line with EU law, it also underlines inadequate cross-sectorial cooperation between institutions and ministries, which hinder the implementation of such measures. Furthermore, the lack of obligation to transport national laws and regulations to the local level is also identified as an issue.

WORK-LIFE BALANCE

Based on Eurofound's analyses, Serbia has more problems related to work-life balance than countries in the EU. According to its 2016 survey on the topic, 83% of respondents were too tired from work to do household jobs at least several times a month, which was much higher than the EU-28 average of 59%. Similarly, 66% of respondents in Serbia had difficulties in fulfilling family responsibilities because of work at least several times a month, compared to an EU average of 38%. On the other hand, family life negatively influenced the professional careers of 52% of the respondents in 2016, who reported having difficulties in concentrating on their job due to family problems. In the EU-28, the figure was just 19% of respondents on average. Eurofound reported no big differences between the genders concerning work-life balance.⁴⁶

43 Social Inclusion and Poverty Reduction Unit Government of the Republic of Serbia (2018) Gender Equality Index for the Republic of Serbia http://socijalnoukljucivanje.gov.rs/wp-content/uploads/2018/12/Indeks_rodne_ravnopravnosti_u_Republici_Srbiji_2018_eng.pdf

44 Ministry of Construction, Transport and Infrastructure (n.a.) Coordination Body for Gender Equality <https://www.mgsi.gov.rs/en/coordination-body-gender-equality>

45 Ministry of Construction, Transport and Infrastructure – Gender Equality Coordinating Body <https://www.rodnaravnopravnost.gov.rs/sr/projekti/sazetak-projekta-krucni-koraci-ka-rodnoj-ravnopravnosti-ipa-2016>

46 Eurofound (2018) Living and working in Serbia <https://www.eurofound.europa.eu/country/serbia#worklife-balance>

SOCIAL PROTECTION AND INCLUSION

HOUSING

The housing situation in Serbia presents several challenges. Firstly, 31.3% of the population is overburdened by housing costs: they spend more than 40% of their equivalised disposable income on housing expenses. The Serbian figure is more than three times the EU-27 average of 9.8%.⁴⁷ Severe housing deprivation is another dimension in which Serbia performs significantly worse than EU countries. Although the percentage of the population suffering from severe housing deprivation decreased between 2014 and 2018, it has always been far above the EU average. In 2019 the level increased again and reached 13.9%. In the EU, only Slovakia performed worse, and the EU-27 average for that year was estimated at 3.8%, one-third the level of Serbia.⁴⁸ In addition, more than half the Serbian population lives in overcrowded dwellings, while in the EU the same indicator averages around 4%.⁴⁹ This severe housing situation has led to a high number of evictions, including from social housing, due to rent and utility bills in arrears. The Special Rapporteur of the UN Human Rights Council warned in a 2015 report that the evictions are not accompanied by legal assistance or alternative accommodation. Vulnerable groups, including Roma, refugees and internally displaced people, are the most penalised by this situation.⁵⁰

GOOD PRACTICE

REGIONAL HOUSING PROGRAMME

The Regional Housing Programme⁵¹ is a joint initiative by Bosnia and Herzegovina, Croatia, Montenegro and Serbia, which has been active since 2011. The RHP aims to contribute to the resolution of the protracted displacement situation of the most vulnerable refugees and displaced persons following the 1991-1995 conflicts in former Yugoslavia, including internally displaced persons in Montenegro from 1999. The programme is carried out in a concerted manner by the governments of the countries involved. Each partner country has appointed a lead institution that is in charge of the overall programming of the Country Housing Project (CHP), including coordination with local authorities and other stakeholders as well as the selection of beneficiaries. In addition, each country has established a project implementation unit (PIU) which is in charge of, among other things, contract management and procurement to ensure an efficient CHP implementation. As of end-September 2020, RHP has built 7,544 housing units.

47 Eurostat (2020) Housing statistics https://ec.europa.eu/eurostat/statistics-explained/index.php/Housing_statistics#Housing_quality

48 Eurostat (2020) Severe housing deprivation rate by age, sex and poverty status - EU-SILC survey https://ec.europa.eu/eurostat/databrowser/view/ilc_mdho06a/default/table?lang=en

49 Eurostat (2020) Overcrowding rate by age, sex and poverty status - total population - EU-SILC survey https://ec.europa.eu/eurostat/databrowser/view/ilc_lvho05a/default/table?lang=en

50 Masina (2017) Housing Policy in Serbia – From Privatization to Eviction <http://www.masina.rs/eng/housing-policy-serbia-privatization-eviction/#easy-footnote-bottom-5-263>

51 Regional Housing Programme (n.a.) Mission and History <http://regionalhousingprogramme.org/mission-and-history/>

HEALTHCARE

Serbia is on a path of aligning its public health system with EU standards. Based on the European Commission's report for 2020, it is making progress in terms of legislative alignment. However, further steps need to be done concerning the sustainability of the public health insurance fund. Moreover, stronger action is needed to limit the number of physicians who leave the country and to implement the national plan for human resources in the health sector.⁵² The outbreak of the pandemic revealed the weaknesses of the Serbian health system. Although the measures introduced by the government in response to the crisis were well devised, there was a lack of personal protection and medical equipment, medical expertise, laboratory testing capacity, data processing and contact tracing. This led to a high infection rate among medical personnel of 9%. In terms of additional funds allocated to combat the health emergency, Serbia is among the countries that allocated the least per person (roughly \$6 at the purchasing-power-parity exchange rate) to its health insurance fund from domestic resources. However, the country received substantial external funding from the European Commission and the World Bank.⁵³ In the last 20 years, the EU has financially supported the health system of the Republic of Serbia, as noted by the National Strategy Group. For instance, the EU donated EUR 8.7 million for medical vehicles (including vehicles with ventilators) and general equipment for hospitals, laboratories, institutes of public health and blood transfusion centres⁵⁴ across the country.

The NSG also points out that the EU financial assistance has helped small communities to benefit from healthcare services, which they had been excluded from due to the wide regional disparities that characterise the national health system.

Access to the national healthcare system for asylum seekers and persons granted asylum should be the same as for Serbian nationals, according to the Health Care Act. In addition, the Asylum Act foresees equal rights to healthcare for asylum seekers, with the costs covered by the state. Mandatory medical examinations are performed on asylum seekers upon arrival at reception facilities.⁵⁵ However, the National Strategy Group reports that, due to a legislative vacuum, asylum seekers and refugees need to rely on CSOs and international organisations to benefit adequately from the right to health services. Under the Health Insurance Act, asylum seekers and persons granted asylum are not entitled to compulsory health insurance or health insurance cards. Furthermore, the NSG reports significant discrepancies between access to health services for asylum seekers living in private accommodation and those living in public accommodation, with the second group experiencing more difficulties, especially in terms of administrative burden. Asylum seekers have been provided with adequate health assistance during the Covid-19 emergency, the NSG reports. Nevertheless, as previously mentioned, although the state of emergency has been lifted, refugees and asylum seekers are still prohibited from leaving the facilities that host them.

52 European Commission (2020) Commission Staff Working Document Serbia 2020 Report https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/serbia_report_2020.pdf

53 Covid-19 Health System Response Monitor (2020) How much additional money are countries allocating to health from their domestic resources? <https://analysis.covid19healthsystem.org/index.php/2020/05/07/how-much-additional-money-are-countries-putting-towards-health/>

54 The Delegation of the European Union to the Republic of Serbia (2020) EU assistance to the Health sector in Serbia – a fundamental effort that modernised the whole Serbian health system <https://europa.rs/eu-assistance-to-health-sector-in-serbia-a-fundamental-effort-that-modernised-the-whole-serbian-health-system/?lang=en>

55 Belgrade Centre for Human Rights (n.a.) Health Care Serbia <http://www.asylumineurope.org/reports/country/serbia/health-care>

In this regard, the National Strategy Group mentions the call by A 11 – Initiative for Economic and Social Rights for the government to amend the order issued by the Health Ministry and enable refugees to enjoy their basic rights to freedom and security.

FIGHT AGAINST POVERTY

Poverty is a major issue in Serbia, and the situation is worse than in the European Union. In 2018, 7.1% of the population was living in absolute poverty. According to the Survey on Income and Living Conditions carried out in 2018, 34.3% of the population were at risk of poverty or social exclusion, compared to 21.8% in the EU-28. Of the employed

population, 10% were at risk of poverty and almost 60% were subjectively poor.⁵⁶ When it comes to inequality, the gap between Serbia and the Union is lower, as the Gini index was 33.3 in 2019, 3.2 points below the estimated EU-27 average.⁵⁷ The Economic Reform Program (ERP)⁵⁸ and Reform Program of Employment and Social Policy in the EU Accession Process (ESRP)⁵⁹ are key documents in the field of social policy in Serbia. They set, among other things, priorities in employment and social policy for accession countries. According to the NSG, priorities for Serbia include: improvements in the adequacy, quality and targeting of social protection; more-efficient social benefits for people below the poverty line; and enhanced availability and quality of social services.

56 European Commission (2020) Commission Staff Working Document Serbia 2020 Report https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/serbia_report_2020.pdf

57 Eurostat (2020) Gini coefficient of equivalized disposable income - EU-SILC survey http://appsso.eurostat.ec.europa.eu/nui/show.do?lang=en&dataset=ilc_di12

58 European Commission (2020) Economic Governance https://ec.europa.eu/neighbourhood-enlargement/policy/policy-highlights/economic-governance_en

59 Government of the Republic of Serbia (2016) Employment and Social Reform Programme in the Process of Accession to the European Union <http://sociojahnoukljucivanje.gov.rs/wp-content/uploads/2016/06/SIPRU-ESRP-2016-English.pdf>

CIVIC SPACE

The National Strategy Group expresses great concern about the state of civic space in Serbia. Though some forms of freedom are stated formally in the law, their actual implementation is inadequate or non-existing. This alarming situation led Serbia to lose several points in the CIVICUS Monitor, and the country was downgraded from the category of countries where civic space is narrowed to the group where it is obstructed. In March 2020, Serbia was added to the watch list of countries that have seen a rapid decline in fundamental freedoms.⁶⁰ From March to December 2019, 130 cases of violations of freedom of association, assembly and expression were recorded.⁶¹

FREEDOM OF ASSOCIATION AND PEACEFUL ASSEMBLY

The Ministry of Public Administration and Local Self-Government says the conditions for the establishment of an association have been "considerably liberalized". But attacks against associations, activists and media are more and more frequent: the number of threats, insults and incidents of intimidation is increasing.⁶²

When it comes to freedom of peaceful assembly, the NSG explains that Serbia has a history of violent clashes between demonstrators and

police, as well as of suppressed gatherings, such as political demonstrations or the LGBTQI Pride march. The National Strategy Group also observes that obstacles to peaceful assembly that apply to many groups do not apply for gatherings organized by the ruling party Srpska napredna stranka (SNS). This was demonstrated when SNS supporters gathered during the Covid-19 emergency even though this was strictly forbidden by the emergency rules.

FREEDOM OF PRESS

Serbia's score in the Reporters without Borders World Press Freedom Index has worsened since 2018. In 2020, it occupies 90th place out of 180 countries, losing three positions from the previous year. According to Reporters Without Borders' analysis, since Aleksandar Vučić took over as leader, firstly as prime minister and then as president, the condition of journalists has become more and more dangerous. Many investigations into attacks on journalists have stalled. Fake news is becoming increasingly widespread. Moreover, due to the high concentration of media ownership, journalists who keep writing about dangerous topics such as corruption do this on the Internet.⁶³ The overall picture of freedom of expression in Serbia is greatly concerning.

60 CIVICUS (2020) Civic Space Monitor – Serbia <https://monitor.civicus.org/country/serbia/>

61 Gradanske Inicijative (2019) More than 130 cases of violations of freedom of association, assembly and expression in 2019 <https://www.gradjanske.org/en/more-than-130-cases-of-violations-of-freedom-of-association-assembly-and-expression-in-2019/>

62 Gradanske Inicijative (2019) More than 130 cases of violations of freedom of association, assembly and expression in 2019 <https://www.gradjanske.org/en/more-than-130-cases-of-violations-of-freedom-of-association-assembly-and-expression-in-2019/>

63 Reporters without Borders (2020) Serbia <https://rsf.org/en/serbia>



COUNTRY MONITOR: SLOVAKIA



SOLIDAR's National Strategy Group (NSG) in Slovakia reports recent contrasting developments in working and living conditions. The rates of employment, at 73.4%, and unemployment, at 6.1%, are converging toward EU standards, but this does not reflect the reality of structural deficiencies, such as a shortage of high-skilled labour and an expected high rate of job automation. Furthermore, insufficient funding dedicated to targeted active employment is only widening social and regional disparities in the labour market. This is evident in the case of migrants and asylum seekers, who continue to lack adequate access to information, education and employment, despite improvements thanks to 2014 integration policies. The risk of poverty and social exclusion

has been decreasing since 2010 because of the National Framework Strategy for Promoting Social Inclusion and Combating Poverty, and it is now down to 16%. Yet, due to persistent social and regional inequalities, an increase in the cost of living and high taxation on labour, the NSG calls for an updated poverty alleviation strategy to improve living conditions for low-income and vulnerable groups. This is especially relevant given unequal access to healthcare services due to a lack of resources and a lack of just transition plans. As for the state of civic space, an increase in attacks on journalists is endangering critical and independent media, which are already suffering from an increased concentration of media ownership and declining neutrality.

	2018	2019	EU-28 2019
GINI index ¹	20.9	N/A	30.1
Unemployment ²	6.5%	5.8%	6.3%
Gender Equality Index ³	51.1 (2019)	55.5 (2020)	67.9 (2020)
In-work poverty ⁴	6.0%	N/A	9.2%
Housing Overcrowding ⁵	35.5%	N/A	15.6%
CIVICUS Civic Space Monitor ⁶		NARROWED	N/A

Selected indicators on the state of social rights

1 Eurostat (2020). Gini coefficient of equivalised disposable income: http://appsso.eurostat.ec.europa.eu/nui/show.do?lang=en&dataset=ilc_di12

2 Eurostat (2020). Unemployment by sex and age: annual data: https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_rt_a&lang=en

3 European Institute for Gender Equality (2020). Gender Equality Index: <https://eige.europa.eu/gender-equality-index/2020/SK>

4 Eurostat (2020). In-work at-risk-of-poverty-rate : <https://ec.europa.eu/eurostat/databrowser/view/tespm070/default/table?lang=en>

5 Eurostat (2020). Overcrowding rate by age, sex and poverty status – total population: https://ec.europa.eu/eurostat/databrowser/view/ilc_lvho05a/default/table?lang=en

6 CIVICUS (2020). Civic space monitor - Slovakia: <https://monitor.civicus.org/country/slovakia/>

EQUAL OPPORTUNITIES AND FAIR WORKING CONDITIONS

With a low share of direct tax revenues and the top statutory personal income tax rate reaching 25%, Slovakia continues to depend on a high share of social contributions, at 43.3%, to fund the welfare state.⁷ Tax on labour makes up 43.8% of total tax revenue,⁸ is one of the highest in the EU⁹ and is expected to increase with the rise in the monthly minimum wage to EUR 580,¹⁰ reports the National Strategy Group (NSG) led by AOPSS. The tax wedge on labour makes up 37.4% of total labour costs,¹¹ so Slovakia's tax system disproportionately affects low-income earners and the employment prospects of vulnerable groups.¹² Yet the NSG also raises some concerns over the impact on job creation of the high employment costs, with SMEs and social-service providers experiencing increasing financial pressure.

Before the outbreak of the Covid-19 pandemic, the Slovak labour market had been registering continuous improvements since 2013. By the end of 2019, the employment rate reached 73.4%,¹³ and unemployment was 6.1%,¹⁴ both converging towards the EU average. Yet the NSG is critical of this picture, as the rates create a false sense of growth and do not reflect structural deficiencies such as the rate of job

automation and the shortage of high-skilled labour. According to current estimates, between 40% and 64% of current jobs in the country will become automated, the NSG reports.

GOOD PRACTICE

REPAS+ & KOMPAS+

REPAS+ and KOMPAS+¹⁵ tackle youth unemployment through reskilling, by providing further chances to adapt to the requirements of the labour market. The service users first submit an application to the Ministry of Labour, Social Affairs and Family and then select retraining or competence courses, for which they receive financial support. Upon completion of the courses, young jobseekers are given a certificate recognising these efforts to strengthen their employment prospects.

Given low spending on active employment measures and limited individualised counselling, social and regional disparities in the labour market are growing.¹⁶ The employment rate of low-skilled workers is the lowest in the EU, at

7 European Commission (2020) Taxation Trends in the European Union: Data for the EU Member States, Iceland and Norway 2020 Edition https://ec.europa.eu/taxation_customs/sites/taxation/files/taxation_trends_report_2020.pdf

8 Ibid.

9 Gulisova, Simona (2019) An unflattering place for Slovakia. The levy on labor is the fourth highest in developed Europe <https://www.forbes.sk/nelichotivost-miesto-pre-slovensko-odvodove-zatazenie-mame-stvrte-najvyssie-vo-vyspelej-europe/>

10 Eurostat (2020) Monthly minimum wages-bi-annual data https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=earn_mw_cur&lang=en

11 European Commission (2020) Taxation Trends in the European Union: Data for the EU Member States, Iceland and Norway 2020 Edition https://ec.europa.eu/taxation_customs/sites/taxation/files/taxation_trends_report_2020.pdf

12 European Commission (2020) Country Report Slovakia 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0524&from=EN>

13 Eurostat (2020) Employment – annual statistics https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Employment_-_annual_statistics

14 Eurostat (2020) Unemployment by sex and age – monthly data https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_rt_m&lang=en

15 https://www.upsvr.gov.sk/buxus/docs/SESF/Opis_NP_Vzdelavanie_MUoZ.pdf

16 European Commission (2020) Country Report Slovakia 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0524&from=EN>

36.1%.¹⁷ Youth unemployment increased from 14.9% in 2018 to 15.3% in 2019.¹⁸ The gender employment gap is 13% and the gender pay gap is 19% due to sector segregation and a lack of representation in the private sector.¹⁹ Furthermore, Bratislava's employment rate is 10 percentage points higher than that of Eastern Slovakia, while its unemployment rate is 7 percentage points lower.²⁰ In the absence of more-effective labour-market inclusion measures, social enterprises are addressing long-term unemployment and improving people's employment prospects.²¹ Nonetheless, the NSG reports that these inequalities are expected to worsen given the Covid-19 social and economic crisis, as unemployment rose sharply to 6.8% in August 2020, with youth unemployment reaching 19.8%.²²

WORKING CONDITIONS

Amongst recent developments in working conditions, the NSG singles out the increase in the minimum wage and wage supplements. Not only has the constitution been amended to ensure a minimum statutory wage is applied to all employees, but an additional law introduced an automatic rise in the minimum wage to 60% of the average nominal wage if social partners fail to agree on a new minimum.²³ Furthermore, the supplements for Saturday, Sunday and night work were raised to 50%,

100% and 40% of the minimum hourly wage respectively.²⁴

In the run up to the 2020 parliamentary elections, political parties engaged in a series of debates on working conditions, the NSG reports. These discussions mainly revolved around reducing administrative and tax burdens, but there was also discussion of how to support the re-employment of the long-term unemployed.²⁵ Nevertheless, the NSG points out that significant issues regarding working conditions were left out, such as support for professional-growth and skills training.

EDUCATION

Despite some improvements in primary education achievement, the NSG finds the lack of alignment of the education system and persistent inequalities in performance as barriers to future integration into the labour market. Little effort is made to address these issues in the opinion of the NSG, as proposals to align education with labour market needs have yet materialised. Low salaries for teachers, at 68% of the national average, act as a deterrent to the employment of more staff in the education system.²⁶

The rate of early school leaving has been rising since 2010 and is currently 8.3%.²⁷ Related to

17 Ibid.

18 Eurostat (2020) Unemployment by sex and age – monthly data https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_rt_m&lang=en

19 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer?primarychart=timeline>

20 European Commission (2020) Country Report Slovakia 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0524&from=EN>

21 Ibid.

22 Eurostat (2020) Unemployment by sex and age – monthly data https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_rt_m&lang=en

23 Eurofound (2020) Living and working in Slovakia <https://www.eurofound.europa.eu/country/slovakia#highlights-working-life-in-2019>

24 Ibid.

25 Ďurana, Radovan (2020) Employment Flexibility Industry In 2020 https://iness.sk/sites/default/files/documents/pdf/INT/2020/int_1-2020_index_pruznosti_zamestnavania_2020_grafy.pdf

26 European Commission (2020) Country Report Slovakia 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0524&from=EN>

27 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer?primarychart=timeline>

this, the performance in basic skills development – especially in IT – is low: Slovakia has a proportion of low achievers above the EU average, and it ranks 22nd in the Digital Economy and Society Index 2020.²⁸ The NSG indicated that only 27% of Slovaks have attained above-basic digital skills, compared with an EU average of 33%. As a result, 60% of companies seeking to hire workers with ICT profiles reported difficulty in the recruitment process due to the limited availability of candidates.²⁹ The exception to this trend is in the dual education system for vocational education and training (VET). Enrolment in VET is at an all-time high of 68.9%, and the employability of VET students reached 84.7%³⁰ before the Covid-19 outbreak.

The NSG reiterated the education system's insufficient capacity to address social disparities, given the persistent segregation between high and low achievers. With nine out of 10 children in unemployed households living in poverty, as reported by the NSG, inclusion programmes are not effective in addressing the negative impact – such as the cycle of poverty – of such segregation on children from disadvantaged backgrounds.³¹ An example of this is the strategy for Roma integration, which ran until 2020. Despite producing annual plans with dedicated measures for education, only 51.7% of the Roma population are still enrolled in formal secondary education at the age of 16.³² Eastern Slovakia, where the Roma share of the population is higher, registered a lower percentage of students completing secondary education.³³

INCLUSION OF MIGRANTS

With the adoption of the first comprehensive migration policy in 2011 and the integration policy in 2014, the NSG considers significant steps were taken to address migrants' integration needs. Even though foreigners only account for 2.2% of the total population,³⁴ 35 out of the 90 applications for asylum were accepted in 2019.³⁵ Departures of Slovaks exceed arrivals of foreigners,³⁶ and this framework recognises the importance of migrants to address significant labour shortages and cover the skills gap, the NSG reports.

Action by the Ministry of Interior's Migration Office consists of managing residential camps, provision of essential services and liaising with other key stakeholders in the governance of migration inclusion via local inclusion managers, according to the NSG. The two existing residential camps have a joint capacity of 140 people, and they provide accommodation, safety, meals and urgent medical care for asylum seekers.³⁷ Asylum seekers receive a one-off financial contribution amounting to 1.5 months-worth of subsistence income and, with the help of local authorities, further support related to rental housing, healthcare, citizenship and the labour market. Additionally, modifications of labour legislation have made it easier to redirect the foreign workforce towards sectors in need of labour and to hire seasonal workers.³⁸ NGOs mostly play a role as service providers co-funded through Asylum, Migration and Integration Funds and European Social Funds allocated to

28 European Commission (2020) Digital Economy and Society Index (DESI) 2020 <https://ec.europa.eu/digital-single-market/en/news/digital-economy-and-society-index-desi-2020>

29 Ibid.

30 European Commission (2020) Country Report Slovakia 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0524&from=EN>

31 Ibid.

32 Ibid.

33 Naydenova, Violeta and Matarazzo, Martina (2019) Post-2020 EU Roma Strategy: The Way Forward <https://www.opensociety-foundations.org/uploads/7004b0da-956d-4df9-a1f7-d889a00ae9d5/post-2020-eu-roma-strategy-the-way-forward-20190627.pdf>

34 Caritas Slovakia (2019) Our Common Home: Migration and Development in Slovakia [https://www.charita.sk/cojedomov/N%C3%A1%C5%A1%20spolo%C4%8Dn%C3%BD%20domov%20\(SK\).pdf](https://www.charita.sk/cojedomov/N%C3%A1%C5%A1%20spolo%C4%8Dn%C3%BD%20domov%20(SK).pdf)

35 European Migration Network (2020) Annual Report on Migration and Asylum 2019 https://ec.europa.eu/home-affairs/sites/homeaffairs/files/00_eu_arm2019_synthesis_report_final_en_0.pdf

36 European Commission (2019) Governance of Migrant Integration in Slovakia <https://ec.europa.eu/migrant-integration/governance/slovakia>

37 European Migration Network (2020) Annual Report on Migration and Asylum 2019 https://ec.europa.eu/home-affairs/sites/homeaffairs/files/00_eu_arm2019_synthesis_report_final_en_0.pdf

38 Ibid.

Slovakia for 2014-2020.³⁹ Their services mostly concern mandatory language courses, civic education and vocational training.⁴⁰

Yet the NSG indicated some shortcomings in this framework for migrant inclusion. The migration policy puts little effort into family reunification or better access to information. Preferential treatment is given to high-skilled workers compared with low-skilled migrants, refugees,

students and immigrants seeking to reunite with family members. Unequal access to education and employment plus (indirect) discrimination by both government and society further limit the positive impact of inclusion measures.⁴¹ The NSG also points out that there is an inadequate number of social workers qualified to attend to migrants' complex and precarious situations, due to gaps in social-work programmes in higher education.

SOCIAL PROTECTION AND INCLUSION

Slovakia exceeded the Europe 2020 target of reducing the number of people at risk of poverty and social exclusion (AROPE) by 25% by 2020. The AROPE rate has been decreasing since 2010 and was at 16% in 2018.⁴² Severe material deprivation has followed the same downward trend, despite an increase from 7% in 2018 to 7.9% in 2019.⁴³ The decline has been achieved through low levels of income inequality and improvements in employment rates.⁴⁴ The National Strategy Group (NSG) highlights the important contribution to reducing poverty made by the National Framework Strategy for Promoting Social Inclusion and Combating Poverty.

Yet these improvements have not yet extended to all social groups and regions in Slovakia, the main reasons being the lack of equal opportunities and uneven access to social services. Single-parent families registered an AROPE

rate of 45.7%, and households with three or more children registered 37.7%,⁴⁵ while the rate for Roma was 84.7%.⁴⁶ Furthermore, the NSG raises concerns about the high costs of basic necessities and the deterioration of living conditions amongst the elderly due to low pensions. In the context of a 31.1% decrease in the impact of social transfers,⁴⁷ below the EU average, the system has yet to provide solutions for these inequalities. There are also persistent differences in social integration and uneven access to social services between Bratislava and Eastern and South-eastern Slovakia.⁴⁸ No recent evaluations of the above-mentioned national strategy to combat poverty have been reported by the NSG.

With a sustained increase in housing prices – including a 5.7% rise in 2019, 5% above wage growth⁴⁹ – housing affordability is an issue in Slovakia, especially in Bratislava, to which not

39 European Commission (2019) Governance of Migrant Integration in Slovakia <https://ec.europa.eu/migrant-integration/governance/slovakia>

40 Ibid.

41 Caritas Slovakia (2019) Our Common Home: Migration and Development in Slovakia [https://www.charita.sk/cojedomov/N%C3%A1%C5%A1%20spolo%C4%8Dn%C3%BD%20domov%20\(SK\).pdf](https://www.charita.sk/cojedomov/N%C3%A1%C5%A1%20spolo%C4%8Dn%C3%BD%20domov%20(SK).pdf)

42 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer?primarychart=timeline>

43 Ibid.

44 Caritas Slovakia (2019) Caritas CARES! Country Report 2019: Slovakia https://www.caritas.eu/wordpress/wp-content/uploads/2020/01/Caritas-Cares-Report-Slovakia_singles_light.pdf

45 European Commission (2020) Country Report Slovakia 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0524&from=EN>

46 Ibid.

47 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer?primarychart=timeline>

48 European Commission (2020) Country Report Slovakia 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0524&from=EN>

49 Ibid.

enough attention has been given, according to the NSG. With 90.1% of the population living in houses they own,⁵⁰ the current regulatory framework favours home ownership and provides little support for renters or social housing. This not only has an impact on labour mobility and disparities in regional employment rates, but it is also driving up households' debt-to-income ratios, which currently average 68.69%.⁵¹ Furthermore, 7.9% of tenants are experiencing severe material deprivation and are therefore more vulnerable to the current price volatility and rising private debt.⁵² A shortage of public housing and affordable rental options is increasing the number of homeless people in Slovakia and hindering their access to essential social services. As there is no national strategy on homelessness, some local housing-integration measures, such as those in Bratislava and Trnava, are yielding positive results in the prevention and reduction of homelessness.⁵³

The NSG has reported no improvement in access to affordable and quality healthcare in Slovakia, as the previous government's planned reform has been halted. Despite a low rate of self-reported unmet medical needs of 2.6%,⁵⁴ there is a high number of deaths due to preventable causes, at 2.44 per 1,000 people, and a high prevalence of chronic diseases.⁵⁵ These factors increase the pressure on a healthcare system with one of the lowest per-capita expenditures in the EU.⁵⁶

Improvements in primary care continue to be a challenge due to the hospital-centric system and a lack of general practitioners, who receive low salaries and are constrained by limits to the treatment they can offer.⁵⁷ Access to primary care remains a challenge for marginalised communities and low-income households in regions other than Bratislava, Kosice and Zilina.⁵⁸ Nevertheless, the NSG reports that the government has promised to increase the accessibility and effectiveness of the system, by increasing health expenditure and shifting financial incentives for GPs to reward the quality rather than the quantity of treatment.

Despite a renewed interest by the government in green policies and the adoption of a 2050 carbon neutrality target, the NSG reports that the level of investment put forward in the National Energy and Climate Plan⁵⁹ is insufficient to address the transition to a greener economy.⁶⁰ Following consultations with local, regional and national stakeholders,⁶¹ the Action Plan for the Horná Nitra region provides some support for job creation away from traditional, carbon-intensive sectors, yet it fails to put forward alternative heating sources.⁶² Other regions, such as Trenčín and Košice, that are locations for steel production, coal mining and high-carbon cement production present significant socio-economic challenges for the transition to a green economy. These will need to be addressed through the Just Transition Fund.⁶³

50 European Commission (2020) Country Report Slovakia 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0524&from=EN>

51 Eurostat (2020) Gross debt-to-income ratio of households <https://ec.europa.eu/eurostat/databrowser/view/tec00104/default/table?lang=en>

52 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer?primarychart=timeline>

53 Baptista, Isabel and Marlier, Eric (2019) Fighting homelessness and housing exclusion in Europe

54 European Commission (2020) Social Scoreboard <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/explorer?primarychart=timeline>

55 European Commission (2020) Country Report Slovakia 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0524&from=EN>

56 Ibid.

57 OECD and European Commission (2019) State of Health in the EU: Slovakia Country Report

58 Ibid.

59 Slovak Ministry of the Economy (2019) Integrated National Energy and Climate Plan for 2021 to 2030 https://ec.europa.eu/energy/sites/ener/files/sk_final_necp_main_en.pdf

60 European Commission (2020) Country Report Slovakia 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0524&from=EN>

61 European Commission (2019) Supporting transition from coal energy in Slovakia https://ec.europa.eu/info/sites/info/files/supporting_transition_from_coal_energy_in_slovakia.pdf

62 European Commission (2020) Country Report Slovakia 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0524&from=EN>

63 Ibid.

CIVIC SPACE

Freedom of association and peaceful assembly have been sufficiently respected, according to the National Strategy Group (NSG). But a narrowing of civic space in Slovakia⁶⁴ has come as a result of recent developments in the protection of freedom of expression. During the trial for the murder of the investigative journalists Ján Kuciak and Martina Kušnírová, links between key political figures and an illegal journalism surveillance operation were disclosed. Furthermore, continuous attacks on the media from government officials, increased media ownership concentration under the Czech businessman Petr Kellner and the public broadcasting company's departure from its position of neutrality under new management have led Slovakia to be ranked 33rd in the Press Freedom Index.⁶⁵ The 2019 amendment of the Press Act, which grants public officials

the right to respond to stories written about them, is considered an increase in politicians' influence over the media.⁶⁶

Social partners are reported to have shifted their focus from traditional social dialogue to alternative means of influencing decision-making, such as lobbying, public protests and media campaigns.⁶⁷ The NSG locates the cause as the lack of interest by the previous government in collaborating with civil society organisations. As a result, many CSOs are vulnerable to a lack of continuous funding and depend exclusively on EU funds.⁶⁸ Under Slovakia's new political leadership, the NSG reports a renewed interest in support for NGOs and CSOs, especially in areas such as human rights, democracy and the fight against discrimination and corruption.

COMPARISON WITH THE COUNTRY SPECIFIC RECOMMENDATIONS

In the context of the increased disparities between Western and Eastern Slovakia and between Slovakia and the rest of the EU, the European Commission's 2020 Country Specific Recommendations for Slovakia focus exclusively on addressing infrastructure weaknesses exacerbated by the Covid-19 crisis. They recommend increasing the resilience of the health-care system by improving primary care, addressing the shortage of doctors and reversing the impacts of underfunding. Further attention

is given to the need to improve access and performance gaps in the education system and to align skills development with the needs of the job market. With the Covid-19 crisis expected to have a disproportionate impact on marginalised communities, the Commission recommends revising access to unemployment support to extend coverage, especially for Roma, the elderly and low-skilled people. All of these recommendations are in line with the requests and remarks of the National Strategy Group.

64 CIVICUS (2016) CIVICUS MONITOR: Slovakia <https://monitor.civicus.org/country/slovakia/>

65 Reporters Without Borders (2020) 'Slovakia' <https://rsf.org/en/slovakia>

66 Freedom House (2020) Freedom in the world 2020: Slovakia <https://freedomhouse.org/country/slovakia/freedom-world/2020>

67 European Commission (2020) Country Report Slovakia 2020 <https://eur-lex.europa.eu/legal-content/EN/TEXT/PDF/?uri=CELEX:52020SC0524&from=EN>

68 Ibid.



COUNTRY MONITOR: SPAIN



SOLIDAR's Spanish National Strategy Group (NSG) remains worried about persistent poverty and social exclusion rates, high levels of labour precariousness, persistent gender inequalities, limited affordable housing and a weakened healthcare infrastructure. There are significant regional disparities, and the NSG considers there is still a lot of room for improvement despite recent positive developments that have followed the financial crisis. The new coalition government has shifted towards progressive initiatives intended to

ensure equality of opportunity and fairer participation in society, with targeted measures expected to benefit the most vulnerable groups, especially women, youth, migrants and asylum seekers. The NSG reported further positive developments, including moves towards a green economy and a just transition, backed by civil society. Nevertheless, a lack of multilevel cooperation, opposition between political parties and the outbreak of Covid-19 have hindered implementation and even halted plans for further reforms.

	2018	2019	EU-28 2019
Gini index ¹	33.2	33.0	30.1
Unemployment ²	15.3%	14.1%	6.3%
Gender Equality Index ³	63.0 (2019)	63.5 (2020)	67.9 (2020)
In-work poverty ⁴	13.0%	12.8%	9.2%
Housing Overcrowding ⁵	4.7%	5.9%	15.6%
CIVICUS Civic Space Monitor ⁶		NARROWED	N/A

Selected indicators on the state of social rights

1 Eurostat (2020). Gini coefficient of equivalised disposable income: http://appsso.eurostat.ec.europa.eu/nui/show.do?lang=en&-dataset=ilc_di12

2 Eurostat (2020). Unemployment by sex and age: annual data: https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_rt_a&lang=en

3 European Institute for Gender Equality (2020). Gender Equality Index: <https://eige.europa.eu/gender-equality-index/2020/ES>

4 Eurostat (2020). In-work at-risk-of-poverty-rate : <https://ec.europa.eu/eurostat/databrowser/view/tespm070/default/table?lang=en>

5 Eurostat (2020). Overcrowding rate by age, sex and poverty status – total population: https://ec.europa.eu/eurostat/databrowser/view/ilc_lvho05a/default/table?lang=en

6 CIVICUS (2020). Civic space monitor - Spain: <https://monitor.civicus.org/country/spain/>

EQUAL OPPORTUNITIES AND FAIR WORKING CONDITIONS

SOLIDAR's Spanish National Strategic Group, led by Movimiento Por la Paz has reported recent positive developments in fiscal policies towards incremental and positive taxation taken by the PSOE-Podemos coalition government. According to the NSG, this new direction will continue to address the inequalities exacerbated by the austerity policies of the previous Popular Party government. By placing a series of progressive initiatives at the heart of its welfare reform package, Spain has introduced a new minimum welfare standard aiming for fairer participation in society and in the labour market. This is especially relevant given the sudden rise in unemployment to 14.41% in the first trimester of 2020 due to Covid-19. This rise will lead to greater welfare and social protection needs, despite a steady decrease of the unemployment rate from 14.7% to 13.78% during 2019.⁷

Amongst these measures, the NSG has highlighted the positive impact of the adoption of a minimum income scheme.⁸ This monthly support ranges from EUR 461.50 to EUR 1,015.00 and is subject to the situation of the family unit. In the context of the recent rise of the minimum statutory wage from EUR 735.90 to EUR 950.00 per month for permanent, casual and domestic workers,⁹ the minimum income scheme will serve as an additional push towards equality of opportunity, especially for vulnerable families at risk of social exclusion and material deprivation. The NSG notes that

government will thus be working towards the 2030 Agenda goals: reducing poverty, supporting sustained, inclusive and sustainable economic growth; incentivising decent job creation and ensuring equal opportunities for all.¹⁰

Similarly, another significant change to the welfare system in this direction has been the modification of the regulation on the access to unemployment benefit for those over age 52.¹¹ For the NSG, this measure recognises the significant difficulties that this age group faces in re-entering the labour market and effectively strengthens the safety net for this section of the workforce. The measure lowers the minimum age to access unemployment benefit from 55 to 52. It removes household situational conditionality clauses to access this scheme.

The NSG has noted that special attention has been given to improving the reception conditions for migrants and asylum seekers. The long-term goal driving these measures is to help migrants and asylum integrate into society and participate in the labour market. According to the NSG, this is especially relevant, as migrants from outside of the EU have a risk of poverty and social exclusion of 56%, compared to 47.7% for those from within the EU and 23.1% for the native Spanish population.¹²¹³ Existing programmes are trying to address this problem and ensure equality of opportunity. The NSG highlights the Humanitarian Reception Programme for Migrants in

7 National Institute of Statistics (2020) Unemployment rates by sex and age <https://www.ine.es/jaxiT3/Datos.htm?t=4086#ltabs-grafico>

8 State Official Newsletter (2020) Royal Decree-Law 20/2020 on the minimum income scheme. <https://www.boe.es/eli/es/rdl/2020/05/29/20/con>

9 State Official Newsletter (2020) Royal Decree-Law 231/2020, on the 2020 statutory minimum wage <https://www.boe.es/buscar/doc.php?id=BOE-A-2020-1652>

10 United Nations (2015) The 2030 Agenda for Sustainable Development <https://sustainabledevelopment.un.org/content/documents/21252030%20Agenda%20for%20Sustainable%20Development%20web.pdf>

11 State Official Newsletter (2019) Royal Decree-Law 8/2019 on urgent measures against labour precariousness <https://www.boe.es/buscar/doc.php?id=BOE-A-2019-3481>

12 UHCHR (2020) Statement by Professor Philip Alston, United Nations Special Rapporteur on extreme poverty and human rights, on his visit to Spain, 27 January – 7 February 2020 <https://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=25524&LangID=E>

13 EAPN Spain (2019) Poverty Watch 2018 <https://www.eapn.eu/wp-content/uploads/2018/11/EAPN-PW2018-Spain-EN-FINAL.pdf>

Vulnerable Situations, which aids beneficiaries and those requesting for asylum with no available economic means by covering basic accommodation and nutrition needs. This programme, along with other integration and support schemes, is co-financed by the Asylum, Migration and Integration Fund and the European Social Fund. Its overall budget of EUR 380.49 million was agreed on in 2018, and this also covers the reintroduction of the Shelter and Integration of Migrants Support Fund for regions and municipalities.¹⁴

Yet the NSG still is concerned about persistent structural barriers to access the labour market, as well as recent trends towards precariousness in working conditions. Given the negative economic and social impacts of the Covid-19 global pandemic, the reach and impact of the above initiatives are expected to be limited. As a result, inequality still ranks as one of the three most pressing social issues in Spain, especially with regards to precariousness, (domestic and temporary) workers' working conditions and gender inequalities.

PRECARIOSNESS AND ACCESS TO THE LABOUR MARKET

Labour precariousness is growing in tourism, catering and other key sectors of the Spanish economy, with more than 91% of the overall Spanish labour force experiencing non-standard career trajectories.¹⁵ This translates into the Spanish workers having a higher exposure to job fluctuation, poorer working conditions and inadequate registration in the social security system.¹⁶ The National Strategic Group reported that this trend was a result of the 2012

labour reform of the Rajoy government,¹⁷ which facilitated and reduced compensation for the termination of contracts, thereby lowering the cost of dismissing employees. Furthermore, the NSG is worried about the disproportionate effect of precariousness on women, young people and migrants.

In spite of this context, the coalition government's promises to repeal the 2012 labour reform and approve the national annual labour policy plan for 2020 are yet to materialise. However certain measures targeting the most vulnerable and regional active employment plans have been put in place to tackle certain groups' employment prospects in the volatile Spanish labour market. The NSG hopes these measures will tackle the worrisome precariousness.

The unemployment rate of 32.9%¹⁸ for those under 25 amplifies the low expectations of Spanish youth towards future prospects and generational improvement. More than one third of young people in Spain are financially dependent on their families, and two-thirds prolong their education, especially in higher education and English skills, out of a strong belief that it is the only way to reach decent employment.¹⁹ To address these concerns, the PSOE minority government adopted the 2019-2021 Action Plan for Youth Employment²⁰ after strong involvement by social partners and the Spanish Institute for Youth. Amongst the Action Plan's 50 measures, the National Strategic Group has highlighted the Youth Guarantee, which provides financial incentives for businesses to take on young people and strengthen the formative aspects of these employment programmes; the talent return and mobility

14 Millán Agustín (2019) The Government reintroduced the Support Fund for the reception of migrants <https://diario16.com/gobierno-restablece-fondo-apoyo-la-acogida-inmigrantes/>

15 Eurofound (2019) Labourmarket segmentation: Piloting new empirical and policy analyses https://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef19033en.pdf

16 Ibid.

17 State Official Newsletter (2012) Royal Decree-Law 3/2012 on labour market reform <https://www.boe.es/boe/dias/2012/02/11/pdfs/BOE-A-2012-2076.pdf>

18 Eurostat (2020) Unemployment by sex and age – annual data https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_rt_a&lang=en

19 Century 21 (2019) Housing Observatory In Spain: The Difficulties Of Young People In Accessing Housing <https://www.century21.es/media/1162030/observatorioinmobiliario.pdf>

20 Ministry of Labour and Social Economy (2020) Shock Plan For Youth Employment 2019-2021 <https://www.sepe.es/HomeSepe/Personas/encontrar-trabajo/plan-de-choque-empleo-joven-2019-2021.html>

programme; and the extension of information points and the personalisation of service structures. This national-level Action Plan builds on the success of the 2013 Education Reform in modernising vocational training,²¹ and it is being complemented further by sub-national programmes especially targeting low-skilled young workers through regional or municipal variations.

As another vulnerable group, migrants and asylum seekers in Spain face a higher unemployment rate, raging between 15% and 20% depending on their country of birth.²² The case for better inclusion of migrants and asylum seekers in the Spanish labour market is being made by expanding the International Protection and Asylum Reception Programme's employment programmes to 30 months and the targeted measures in the European Social Fund 2014 – 2020 Operational Programme Social Inclusion and Social Economy.²³ The National Strategic Group has indicated that these initiatives have so far proven to be positive in reducing these groups' vulnerability and inequality and in integrating them into society. Yet it indicates that working conditions for this societal group remain worrying.

GENDER EQUALITY

Despite the existing constitutional and legal framework provision that upholds the principle of gender equality for all public policies,²⁴ ²⁵ the National Strategy Group reports that gender disparities in the labour market are still very much present in Spain. Despite a rise in

women's employment rates since 2013, these have not reached 48.8%, the lowest employment rate of men during the crisis. At the end of 2019, the difference between the employment rates for men and women was 11.5 percentage points.²⁶ This is also a result of inadequate incentives for a work-life balance, as six out of 10 women indicate that they have set aside their professional careers after maternity leave.²⁷ Furthermore, the gender pay gap in Spain is 14% of male gross earnings and has not improved significantly since 2014.²⁸ These disparities are already being exacerbated during the Covid-19 crisis, despite women being at the frontline of the fight against the pandemic, especially as domestic workers and carers and in the healthcare sector. For these reasons, the National Strategic Group considers gender inequalities as one of the three most pressing issues regarding fair working conditions and labour rights. Addressing gender inequality will form a basis for further social development.

Taking into account this background, the NSG considers it important to address these inequalities. The new public policy updates focus on three key issues: improving work-life balance, enhancing transparency and correcting systemic barriers to welfare. Most of these have been addressed through the updated version of the Equal Treatment and Opportunities Guarantee.²⁹

With regards to work-life balance, the new legislative framework strives towards equality in caregiving and to address the implications of caring for dependent people. A roadmap to

21 State Official Newsletter (2013) Royal Decree-Law 8/2013 on the improvements for quality education <https://www.boe.es/buscar/pdf/2013/BOE-A-2013-12886-consolidado.pdf>

22 Eurostat (2020) Migrant integration statistics – labour market indicators https://ec.europa.eu/eurostat/statistics-explained/index.php/Migrant_integration_statistics_%E2%80%93_labour_market_indicators

23 European Commission (2020) OP ESF 2014 Social Inclusion and Social Economy Spain https://ec.europa.eu/regional_policy/en/atlas/programmes/2014-2020/spain/2014es05sfop012

24 State Official Newsletter (2020) Spanish Constitution <https://www.boe.es/buscar/act.php?id=BOE-A-1978-31229>

25 State Official Newsletter (2007) Law on effective equality between men and women <https://www.boe.es/buscar/act.php?id=BOE-A-2007-6115>

26 Spanish National Statistics Institute (2020) Employment rates by different age groups, sex and autonomous community <https://www.ine.es/jaxiT3/Datos.htm?t=4942#ltabs-grafico>

27

28 Eurostat (2020) Gender pay gap in unadjusted form https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=sdg_05_20&plugin=1

29 State Official Newsletter (2019) Royal Decree-Law 6/2019 on urgent measures to guarantee equal treatment and opportunities between women and men in employment and occupation <https://www.boe.es/buscar/act.php?id=BOE-A-2019-3244>

achieve equal maternity and paternity leave by 2021 has been introduced. This has started by extending fathers' right to leave to 12 weeks, the first four being uninterrupted and non-transferable. Following this, the right to adapt working hours and to request more flexible work schedules was strengthened in order to improve work-life balance. Since the entry into force of the new legal text, the efforts taken by non-professional caregivers of dependent people have also been recognised as social security contributions, thus taking into account the economic impact of caregiving, especially for women caregivers. Further measures are envisioned to improve work-life balance, such as the universalisation of free early-years education. But these are currently blocked due to a deadlock in budgetary negotiations.

As for enhancing transparency, the Real Decreto Ley 6/2019 [Decree-Law 6/2019] makes it compulsory for companies to register the mean values of salaries and additional wage supplements disaggregated by gender and distributed by professional groups and by categories of similar work positions. In the event that there is a 25% gender pay difference within a company of more than 50 employees, that organisation will have to provide a non-discrimination justification.

Last but not least, the government plans for gender equality encompass measures to address gender-based barriers to welfare support. New regulation has been put in place to tackle the worrying decline in the working conditions of domestic workers, who are mostly female migrants highly exposed to gross exploitation. The regulation improves their access to social security, yet the National Strategic Group reiterates that more improvements need to be put forward. Additionally, the widowhood pension, which has been supporting 400,000 women, has been raised to an annual

minimum of EUR 7,249.20, with additional support depending on the individual context of the widow.^{30, 31}

In spite of these advances, the National Strategic Group points out that the measures are not sufficient, mainly due to limitations in their implementation. A lack of party-political agreement, budgetary limitations, business-sector sensibilities and a lack of co-responsibility towards childcare especially during Covid-19 confinement measures – all these add more pressure to an implementation mechanism that cannot realistically ensure the realisation of these gender-equality policies.

SOCIOECONOMIC IMPACT OF COVID-19

To manage the health crisis resulting from the Covid-19 global pandemic, the Spanish government enacted its State of Emergency, which introduced a series of limitations on mobility and economic activity. Recognising the impact that these limitations have on employment, remuneration and working conditions, Spain has put forward a series of measures to safeguard the protection of workers and the most vulnerable, which build on the previously-mentioned new welfare provisions. The new measures were designed with the intentions of preventing further job losses resulting from the cessation of work activities and of facilitating access to benefits. As of 5 May 2020, these measures cover 4 million workers.³²

Real Decreto Ley 09/2020 and 18/2020 provide a framework for the temporary workforce restructuring plan (ERTE) and required adaptation of working conditions for non-essential workers aimed at avoiding further redundancies. Around 3.5 million workers are now benefiting from this plan, which provides them with

30 Gómez, Manuel V. (2020) This is how your pension remains after the 0.9% rise approved this week https://elpais.com/economia/2020/01/14/actualidad/1579041129_553759.html

31 Ministry of Labour and Social Economy (2018) Improvements in Widowhood Pension <https://revista.seg-social.es/2018/07/20/mejoras-en-la-pension-de-viudedad/>

32 Gómez, Manuel V. (2020) The aid to 4.5 million people affected by ERTE and the self-employed prevent a greater collapse in employment <https://elpais.com/economia/2020-05-05/el-paro-registrado-sube-en-casi-300000-personas-en-abril-y-llega-a-39-millones.html>

support of up to 70% of their social security contribution base.³³

Employment regulations for the agriculture sector were temporarily eased by the Real Decreto Ley 13/2020 to favour recruitment both of nationals and migrants. These measures extended the compatibility of agricultural labour regulations with other existing social protection measures during the state of emergency. New employees will be able to combine their earnings with unemployment benefits.

To tackle the urgent economic and social needs of domestic workers, both the Real Decreto Ley 10/2020 and the Real Decreto Ley 11/2020 introduce a temporary extraordinary subsidy to act as a safety net. This protects against any negative impact caused by lack of activity, a decrease in hours worked, or termination of a contract resulting from the health

crisis. This support, which can rise at a maximum to the level of the new minimum wage, is context-dependent and takes account of the beneficiaries' situation. This targeted measure for domestic workers is especially relevant, as they are not covered by the ERTE framework. In addition, the new minimum income scheme approved during confinement will complement this temporary economic support.

Though the measures are intended to minimise the impact of the health crisis on already-vulnerable social groups, the National Strategic Group reiterates that the measures should take into account the diversity of the situations of those affected. More specifically, the NSG emphasises the need for suitable solutions to the precariousness faced by domestic workers and youth and to the impacts of this precariousness on the support they eventually receive.

33 European Commission (2020) Council Recommendation on the 2020 National Reform Programme of Spain and delivering a Council opinion on the 2020 Stability Programme of Spain <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX-:52020DC0509&from=EN>

SOCIAL PROTECTION AND INCLUSION

According to the National Strategy Group, significant concerns remain regarding poverty and living conditions. The level of poverty and social exclusion in Spain is still above 23.8%, the 2008 pre-financial crisis rate. The most recently available AROPE rate (2018) stands at 26.1%, or 12.2 million people, as a result of an additional 1.2 million people being classified as this status since the start of the financial crisis. EAPN Spain reported that 2.6 million people were living in extreme poverty and an additional 4.3 million³⁴ experiencing severe poverty. The UN Rapporteur on extreme poverty raised this as a concern after a study visit to Spain in 2020.³⁵

Yet a more nuanced approach, which disaggregates the data on poverty and social exclusion in Spain, can provide a more accurate insight into the inequalities behind these figures. The AROPE rates are higher for women (27%, compared to 25.1% for men), those between the ages of 16 and 39 (33.8%), those with lower secondary education (34%), migrants and asylum seekers (56% for non-EU residents and 47% for EU-nationals) and single-parent households (50%).³⁶ Additionally, EAPN's 2019 Poverty Watch Report on Spain indicates that employment in itself does not guarantee an escape from poverty and social exclusion. This is especially so in Spain, as in-work poverty stands at 13.8% despite a steady decrease in unemployment up until the Covid-19 crisis.

To address the persistent challenge, the Spanish government has introduced in the last two

years a series of social protection measures specifically targeting the different dimensions of poverty. Most noticeably is the National Strategy for the Prevention and Fight Against Poverty and Social Exclusion 2019-2023.³⁷ Both the newly adopted minimum income scheme and EUR 352 million-worth of social programmes to tackle child poverty are part of this strategy. Nevertheless, the strategy itself has not been allocated its own budget, and further incentives are required for cooperation with regional authorities, which often manage essential services included in the new framework.

GOOD PRACTICE

Following a change in the General Metropolitan Plan, Barcelona City Council has approved the rezoning of grounds into the public housing registry to support young and elderly people. The 530 new public housing units will be provided through five-year affordable renting contracts and will be further supported by additional communal services according to the areas' social needs.

Living conditions have further been exacerbated by limited access to essential services such as adequate housing. The National Strategic Group reports that adequate housing is not guaranteed in Spain, mainly due an increasing housing price-to-income ratio, and a reduced market for affordable rental accommodation exacerbated by rising renting costs.

34 Futuro en Común (2020) Futuro en Común's brief document to submit to UN Special Rapporteur on Extreme Poverty and Human Rights Team https://www.ohchr.org/Documents/Issues/Poverty/34_Futuro_en_Comun_Public_version.pdf

35 National Institute of Statistics (2020) Risk of poverty or social exclusion (AROPE indicator), by nationality (persons aged 16 years old and over), <https://www.ine.es/jaxiT3/Datos.htm?t=10009>.

36 EAPN Spain (2019) 2019 Poverty Watch Report on Spain <https://www.eapn.eu/wp-content/uploads/2019/01/EAPN-03-Poverty-Watch-Spain-00.pdf>

37 ESPN (2019) ESPN Flash Report 2019/50: A new Strategy to prevent and combat poverty and social exclusion in Spain <https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKewiylanUgl7sAhVFMewKHYoeD78QFjAAe-gQlAxAB&url=https%3A%2F%2Fec.europa.eu%2Fsocial%2FblobServlet%3FdocId%3D21554%26langId%3Den&us-g=AOvVaw0ccjkteBq2jHd5LCkD1GFp>

Since 2013, the cumulative increase in house prices has been 23%³⁸ and for renting costs above 50%, without a similar rise in household incomes.³⁹ This increase had been more noticeable in Madrid, Cataluña, and the Balearic Islands, which have above-average rates and are already struggling with the consequences of a rising demand for tourist accommodation.⁴⁰ The Observatorio Social de la Caixa [Social Observatory of La Caixa] reported that more than one fifth of the population of Spain dedicates more than 30% of their income to housing, indicating that housing-related payments entail a considerable added financial pressure on households.⁴¹ A National Housing Plan is in place for 2018-2021,⁴² which focuses on promoting renting and rehabilitation for housing. However, its ability to reach its objectives seems to be limited due to a lack of public housing stock. Moreover, only 2.5% of the unoccupied housing stock is dedicated to social renting, further limiting alternative options for adequate housing.⁴³

With regards to access to affordable, accessible and quality healthcare, the recent reform of the Real Decreto Ley 7/2018 is yet to deliver initial results. The 2012 Decree-Law had restricted free access to public services for adults not registered or authorized to reside in Spain, which the government justified by 'a need for public finance sustainability'. To address this limitation of a fundamental right, the latest legal provisions reintroduce a guarantee

of universal coverage to all people residing in Spain, regardless of their nationality or residency status. Yet vulnerable groups, such as elderly foreign-national relatives of Spanish citizens, are often covered neither by social security, due to not having an income of their own, nor by private insurance programmes, out of a lack of existing services for this group. Unable to prove medical coverage as required by the Real Decreto 240/2007, the added vulnerability results from their inability to formalise their residency in Spain.

Furthermore, as healthcare administration is a regional competence, regional disparities in service quality remain an issue, as reported by the National Strategic Group. The different approaches taken to privatisation and the limiting of public investment in healthcare have led to a saturated system, which does not have adequate capacity to respond in times of need. In addition, a slowing rate of recruitment, persistent reliance on temporary contracts, a below-EU-average ratio of nurses to population and a lack of sufficient resources present serious systemic challenges in the context of a rapidly ageing demographic and their associated long-term medical needs.⁴⁴ The National Strategic Group points towards Madrid as the paradigmatic example of this situation. In the wake of these regional divergences and common challenges, the government agreed, with the support of regional governments, healthcare professionals, patients and users, on a

38 European Commission (2020) Country Report Spain 2020 <https://eur-lex.europa.eu/legal-content/EN/TX-?qid=1584543810241&uri=CELEX%3A52020SC0508>

39 Club de las madres (2017) Sociological Report: Somos Equipo https://clubdemalasmadres.com/app/uploads_old/SOMOSE-QUIPO-informe-2017.pdf Bank of Spain (2020) Housing Market in Spain between 2014 and 2019 <https://www.bde.es/f/webbde/SES/Secciones/Publicaciones/PublicacionesSerias/DocumentosOcasiones/20/Fich/do2013.pdf>

40 European Commission (2020) Country Report Spain 2020 <https://eur-lex.europa.eu/legal-content/EN/TX-?qid=1584543810241&uri=CELEX%3A52020SC0508>

41 Fundación la Caixa (2019) Social Observatory of la Caixa: The situation in Spain <https://observatoriosociallacaixa.org/-/seccion-la-situacion-en-espana-inf-vivienda>

42 State Official Newsletter (2018) Royal Decree-Law 106/2018 on the State Plan for Housing 2018-2021 <https://www.boe.es/buscar/doc.php?id=BOE-A-2018-3358>

43 Fundación Alternativas (2019) Hybrid management of social housing in Spain: Towards collaborative public provision models beyond profit https://www.fundacionalternativas.org/public/storage/estudios_documentos_archivos/869139bafa28a1680969e-9a1b3fb79e8.pdf

44 European Commission (2020) Country Report Spain 2020 <https://eur-lex.europa.eu/legal-content/EN/TX-?qid=1584543810241&uri=CELEX%3A52020SC0508>

Strategic Framework for Primary and Community Care⁴⁵ to address the above-mentioned systemic issues and establish standards for healthcare provision.

Nevertheless, the Covid-19 health crisis has provided further evidence for significant flaws in Spain's healthcare system. The public healthcare system has been unable to cope with the increase in demand due to insufficient hospital beds, material and human resources, often leaving a vast number of patients unattended. On top of this, the National Strategic Group reported medical staff having to endure longer intensive work shifts, often under precarious work contracts and with insufficient protection means.

According to EAPN Spain, the social groups that will be most affected by this health and subsequent economic crisis are households in poverty, women, immigrants, the homeless, the elderly and people with disabilities. All of these are facing a common lack of access to much needed aid and support such as housing, healthcare, gender-violence support services and domestic and care services. EAPN Spain indicates that these barriers were most likely related to confinement measures, restriction of movement and increased isolation. The further long-term impact of the lack of access will be determined by the measures in the government's envisioned Stimulus Plan.

Given these limitations, the National Strategic Group has identified a need to further develop measures and extend the positive developments of recent years. Among other issues, it highlighted the need to guarantee better life conditions for all, reduce gender-based

violence, introduce more incentives for long-term contracts, strengthening the public healthcare system, ensure a common and stable education policy at national level and futureproof the pension system. To implement these necessary improvements, the Spanish government will have to overcome the barrier formed by the distribution of competences between the national and regional levels, as well as ensure a compromise with most political parties.

JUST TRANSITION TO A GREEN ECONOMY

The Spanish government has made significant advances towards inclusive green growth, which have been positively recorded by the National Strategy Group. The commitment towards this ecologically just transition by the coalition government has been supported by the creation of the Spanish Ministry for the Ecological Transition and the Demographic Challenge (MITECO) in 2019. The current Minister, Teresa Ribera, publicly voiced the need to reform the economic and development model as a way to address the environmental and social needs of current and future generations, counting on additional support from civil society.⁴⁶ But the NSG reiterates that this institutional visibility will have to be continuously matched with measures that can lead to the following: adaptation of all public policies; significant changes in lifestyle; and the fundamental values of circularity, collaboration, solidarity, resilience and awareness of humanity's interdependence and fragility. Amongst the approved measures, the National Strategy Group highlights the new Climate Change and Energy Law, the second

45 Government of Spain Presidency's Office (2019) The Strategic Framework for Primary Care receives the majority support of the Interterritorial Council of the National Health System <https://www.lamoncloa.gob.es/serviciosdeprensa/notasprensa/sanidad/Paginas/2019/100419-atencionprimaria.aspx>

46 Ministry for Ecological Transition and Demographic Challenge (2020) Teresa Ribera sets as priorities the correction of territorial imbalances and the demand to put the citizen as the ultimate goal of the fight against climate change and the energy transition <https://www.miteco.gob.es/es/prensa/ultimas-noticias/teresa-ribera-fija-como-prioridades-la-correccion-de-desequilibrios-territoriales-y-la-exigencia-de-poner-al-ciudadano-como-objetivo-%C3%BAltimo-de-l/tcm:30-507324>

National Adaptation Plan and the Energy and Climate Framework (PNIEC). Together, these establish emission reduction targets, specific decarbonisation, evaluation and renewable energy measures and a plan to tackle the impact of climate change.

Most importantly, these moves towards a greener economy are further supported by the National Just Transition Strategy⁴⁷ as part of the above-mentioned PNIEC. This broad framework includes social protection measures such as active green employment policy objectives and green vocational training. Furthermore, the Strategy introduces urgent action plans for those most affected by climate change, such as people living in regions with coal mines and thermal power plants. The main integrated tools of the Just Transition Strategy are the Just Transition Agreements, strengthened by Social

Dialogue Roundtables that bring together administrations, unions, businesses and other relevant social partners, focusing especially on “emptied” rural Spain.

Despite these recent developments, Covid-19 has temporarily put on hold the implementation of the green transition plans in their current forms. The NSG is awaiting the approval of a green stimulus plan that supports an inclusive ecological transition that can capitalize on recent societal changes, such as changes in mobility, move towards teleworking, a re-appreciation of rural spaces and local food production. The required measures will have to be addressed through the development of decent green employment opportunities, a green and progressive fiscal reform and a social protection system that places care services at its core.

47 Ministry of Ecological Transition and Demographic Challenge (2020) The Just Transition Strategy within the Strategic Energy and Climate Framework https://www.miteco.gob.es/en/prensa/etj-english-interactive_tcm38-505653.pdf

CIVIC SPACE

Following the recent politically challenging period in Spain, which has included general elections, regional disputes, the establishment of the coalition government and the state of emergency measures, the CIVICUS Civic Space Monitor said that civic space has narrowed.⁴⁸

Despite constitutional protection of the freedoms of association, peaceful assembly and speech, several concerns remain, as reported by the National Strategy Group, CIVICUS and Amnesty International. The use against artists and twitter users of penal code provisions outlawing the “glorification of terrorism” shines a light on the lack of clarity over restrictions on freedom of speech described in article 578 of the Spanish Penal Code.⁴⁹ This clashes with the prevailing legal tolerance of organisations that support a return to dictatorship and the lack of criminalisation of the exaltation of the figure of former dictator Francisco Franco.⁵⁰ The use of police force during Catalan pro-independence marches and the ongoing limitations to the organisation of migrants in irregular situations have raised several concerns over the respect of peaceful assembly and protest.⁵¹ Furthermore, the continuous attacks on the media from far-right parties such as Vox infringe on the freedom of the press and the freedom to inform.⁵²

Last but not least, the law 4/2015 on the protection of citizens security (informally known as the Ley Mordaza, the gag law, because it limits freedom of association and speech, as well as the rights to strike and assembly) is yet to be repealed despite the promises of the coalition government. Not only have these plans been temporarily halted due to Covid-19, but the law will have to overcome the fragility of the government’s majority in parliament.

On another note, the NSG reports that there is a good environment for social dialogue, which is especially favourable for post-Covid-19 reconstruction. The existence of a good network of third-sector platforms both at national and regional level, such as Plataforma del Tercer Sector, Plataforma de Voluntariado, CONGDE, EAPN, POAS and EAPN-ES, allows the building of good communication channels with the government. Several representatives of these platforms are also present in the Spanish National Congress of Deputies’ social and economic reconstruction working groups. Yet the National Strategy Group suggests building a permanent structure to link organised civil society and national and regional governments that can withstand party political turnovers and propose proactive measures to address major social issues.

48 CIVICUS (2020) CIVICUS Monitor: Spain <https://monitor.civicus.org/country/spain/>

49 Carrasco, Laura (2018) ‘Tweet if you dare’ Amnesty International denounces the violation of freedom of expression in Spain https://www.infolibre.es/noticias/politica/2018/03/13/amnistia_internacional_libertad_expresion_80562_1012.html

50 Maestre, Antonio (2020) The crime of apology for Francoism without our Historikerstreit, a historical error of calculation and memory https://www.eldiario.es/opinion/zona-critica/apologia-franquismo-historikerstreit-historico-calculo_129_1003116.html

51 CIVICUS (2020) Calls for newly elected government to repeal the so-called Gag Law <https://monitor.civicus.org/updates/2020/04/06/calls-newly-elected-government-repeal-so-called-gag-law/>

52 Ibid.

COMPARISON WITH THE COUNTRY SPECIFIC RECOMMENDATIONS

The European Commission's Country Specific Recommendations⁵³ were published during the Covid-19 pandemic and subsequent economic crisis, and most of the recommendations for Spain take into account the severity of these times. The Commission recognizes the negative impact the pandemic is having on Spain's job market and education and healthcare services, as well as the potential ramifications for the spread of poverty. The Commission proposals clearly indicate that the measures taken by the Spanish government to tackle Covid-19 are much needed – an observation in line with the view of the National Strategy Group – as well as being within the Commission guidelines for a coordinated economic response. There is an additional push from the Spanish government to ensure that the recovery plans include all national actors, greater input from social partners, and an overall improvement in coordination between the various levels of government. These are also important governance and implementation concerns for the National Strategy Group.

Regarding employment, healthcare, poverty eradication and education policies, there seems to be much room for agreement between the European Commission recommendations and the National Strategy Group suggestions. The Commission recommends a push towards more-sustainable long-term employment initiatives, which would tackle concerns over precariousness and promote

gender equality in the workforce, as previously called for by the NSG. Both the Commission and the NSG note a need to increase support to build up the healthcare infrastructure and improve the working conditions of healthcare professionals so that they can provide care for all social groups. Additionally, the Commission goes as far as signalling a need to improve the attention given towards care of ageing, growing chronic conditions and disabilities, three key issues also reported by the National Strategy Group. Furthermore, the Commission insists on extending welfare benefits and the minimum income scheme for low-to-medium income households, addressing the pressing matters of in-work and child poverty. Last but not least, the Commission and the NSG both indicate the need for a broad, lasting consensus on education policy to tackle inequalities and to futureproof Spain's workforce.

Yet there are some differences in their approaches to a just transition towards a green economy. Despite agreement on the need to support green job creation, there is disagreement on how to do this. The Commission insists on further measures to attract private investment in the green and digital transition, whereas the NSG is adamant that it should be addressed through public measures. The country-specific recommendations do not include any of the NSG suggestions on the positive impact on the green transition of progressive fiscal reform or care-centred social protection.

53 European Commission (2020) Council Recommendation on the 2020 National Reform Programme of Spain and delivering a Council opinion on the 2020 Stability Programme of Spain <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX-52020DC0509&from=EN>



solidar

**TOGETHER FOR
SOCIAL EUROPE**

COUNTRY MONITOR: THE UNITED KINGDOM



The Social Rights Monitor for the United Kingdom shows how the Covid-19 pandemic has heavily impacted society and the economy, as in the rest of the world. Each section of this report considers the main changes that the crisis entailed, and the National Strategy Group identifies the three most pressing issues for the country during this period. Firstly, the ageing population presents a great challenge for social provision and the National Health Service, while the decline in the working population and displacement of jobs caused by the pandemic will reduce tax revenues and the availability of funding. Secondly, the importance of the NHS and its accessibility to all has been made clear by the pandemic. Therefore, in the view of the NSG, it is of primary importance to reinforce this sector and ensure adequate guarantees of all kinds for its workers.

The third pressing social issue is the state of the British labour market and the consequent need for welfare interventions to mitigate the impact of Covid-19.

The Covid-19 crisis hit the country in a period of slow economic growth. Real GDP grew 1.4% in 2019, well below the post-crisis peak in 2014. Although the job market was performing well before the pandemic, employment growth was already starting to slow in 2019. More worryingly, the rates of people at risk of poverty or social exclusion or at risk of poverty and suffering severe deprivation have risen recently. Therefore, the UK has moved further from achieving SDG 10 (reducing inequalities). The Covid-19 aftermath thus represents a major challenge for the country with respect to the protection and strengthening of social rights.¹

¹ European Commission (2020) Country Report United Kingdom 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0527&from=EN>

	2018	2019	EU-28 2019
Gini index ²	33.5	N/A	30.1
Unemployment ³	4.0%	3.8%	6.3%
Gender Equality Index ⁴	72.2 (2019)	72.7 (2020)	67.9 (2020)
In-work poverty ⁵	10.4%	N/A	9.2%
Housing Overcrowding ⁶	4.8%	N/A	15.6%
CIVICUS Civic Space Monitor ⁷		NARROWED	N/A

Selected indicators on the state of social rights

EQUAL OPPORTUNITIES AND ACCESS TO THE LABOUR MARKET

WELFARE SYSTEM

The main novelty introduced by the British government with respect to the welfare system was the furlough scheme for salaried workers, followed by a Self-Employed Income Support Scheme. Under the Coronavirus Jobs Retention Scheme,⁸ workers placed on leave were able to receive 80% of their pay, up to a maximum of GBP 2,500 per month, when it was introduced in March 2020. Almost 10 million workers who were unable to do their jobs had some of their wages paid by the UK government. There have been examples of employers that used their own means to top up the pay of furloughed employees whose regular salaries were more than GBP 2,500 per month. From July, furloughed employees were able to go back to work part-time if they were unable to work full-time. However, the scheme

finished at the end of October 2020. The National Institute of Economic and Social Research (NIESR) said it was a mistake to end the scheme and could push unemployment to 10% in 2020.⁹ In November 2020, the Chancellor of the Exchequer announced an extension of the furlough until the end of March 2021. The Self-Employed Income Support Scheme was introduced only in May 2020, two months after the Coronavirus Jobs Retention Scheme, and self-employed people (estimated at 5 million), found themselves at the back of the line for support allocation. It is further expected that precariousness of work will increase significantly, and that there will be less permanent employment and a higher proliferation of the gig economy and zero-hour contracts. This will have a profound effect on the self-employed, whose numbers are expected to double to 10 million in the next five years.¹⁰ The extension of

2 Eurostat (2020). Gini coefficient of equivalised disposable income: http://appsso.eurostat.ec.europa.eu/nui/show.do?lang=en&-dataset=ilc_di12

3 Eurostat (2020). Unemployment by sex and age: annual data: https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_rt_a&lang=en

4 European Institute for Gender Equality (2020). Gender Equality Index: <https://eige.europa.eu/gender-equality-index/2020/UK>

5 Eurostat (2020). In-work at-risk-of-poverty-rate: <https://ec.europa.eu/eurostat/databrowser/view/tespm070/default/table?lang=en>

6 Eurostat (2020). Overcrowding rate by age, sex and poverty status – total population: https://ec.europa.eu/eurostat/databrowser/view/ilc_lvho05a/default/table?lang=en

7 CIVICUS (2020). Civic space monitor – United Kingdom: <https://monitor.civicus.org/country/united-kingdom/>

8 UK Government(2020) Coronavirus Job Retention Scheme <https://www.gov.uk/government/collections/coronavirus-job-retention-scheme>

9 BBC (2020) Closing furlough 'could lead to 10% unemployment' <https://www.bbc.com/news/business-53564388>

10 Duke, B. (2020) Back of the queue: Self-employed workers during and after the COVID-19 crisis <https://blogs.lse.ac.uk/policyandpolicy/self-employed-workers-covid19/>

the Coronavirus Job Retention Scheme has been accompanied by a new income-support grant for the self-employed that will increase from 55% to 80% of average profits – up to a limit of GBP 7,500.¹¹ There was a lot of uncertainty when the furlough scheme was introduced over what would happen if an employee was made redundant after a period of furlough. The pandemic meant there could be no guarantee that an employee could return to their post. Effective from 31 July 2020, the government introduced new legislation, according to which furloughed staff are entitled to receive statutory redundancy payments and notice at their full, pre-furlough, pay rather than at the reduced furlough rate. (This is subject to the previous eligibility conditions.)¹²

According to the National Strategy Group, the Covid-19 crisis will push the UK government to introduce additional welfare measures. In order to significantly raise the fiscal revenue to finance the furlough and other schemes and to invest in the National Health Service, the government needs to increase taxes or change thresholds in broad-based taxes, such as income tax, national insurance contributions and VAT. This will represent a major challenge for the Conservative government, as increasing income tax rates would break its election manifesto pledge.

Another change applied to welfare measures is the increase of the National Living Wage (NLW) for 2021 announced by the government in November 2020. The increase is part of a longer process that was started in 2019 and will last until 2024. Based on Low Pay Commission analysis, the NLW is due to rise to GBP 10.34 an hour by that year. However, in the light of the impact of Covid-19 on the labour market, the increase for 2021 will be lower than estimated

and the 2021 NLW will be GBP 8.91, instead of GBP 9.03 as initially planned. The Low Pay Commission, which recommended this rate, specifies that it is still modestly higher than the increase in consumer prices, which means that low-paid workers' living standards should be protected.¹³

INCLUSION OF MIGRANTS

Even though the UK has a national interest in the integration of migrants, it does not have a national strategy on integration, either for the labour market or society as a whole. The Home Office is responsible for refugee integration and for settlement and citizenship policy, while the Ministry of Housing, Communities and Local Government leads on community cohesion in England. Other departments lead on initiatives in their policy areas, such as education and adult skills. Integration is a devolved matter, and each of the constituent nations of the UK has developed its own approach, though responsibility for migration policy remains with the Home Office.¹⁴ As a consequence, different strategic documents have been developed by the national governments. In Wales, the path towards the integration and inclusion of refugees and asylum-seekers is defined by the Nation of Sanctuary – Refugee and Asylum Seeker Plan, published in January 2019. The plan is aligned to the priorities defined by several legislative frameworks, including Prosperity for All: the National Strategy for Wales; Well-being of Future Generations (Wales) Act 2015 and the Strategic Equality Plan 2016-20. The Nation of Sanctuary plan applies a collaborative approach, by involving refugees and asylum seekers in its own implementation. Furthermore, it aims to foster collaboration among different actors (private or public) and

11 UK Government (2020) Government extends Furlough to March and increases self-employed support <https://www.gov.uk/government/news/government-extends-furlough-to-march-and-increases-self-employed-support>

12 UK Government (2020) New law to ensure furloughed employees receive full redundancy payments <https://www.gov.uk/government/news/new-law-to-ensure-furloughed-employees-receive-full-redundancy-payments>

13 Low Pay Commission (2020) 2020 Report Summary of findings https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/937653/Low_Pay_Commission_2020_summary_of_findings.pdf

14 The Migration Observatory at the University of Oxford (2020) Policy Primer: Integration <https://migrationobservatory.ox.ac.uk/resources/primers/policy-primer-integration/>

to promote a person-centred approach.¹⁵ In Scotland, the New Scots Refugee Integration Strategy 2018-2022 sets out a vision for a welcoming Scotland, where refugees and asylum seekers are able to rebuild their lives from the day they arrive. The Scottish government funds a wide variety of civil society organisations and foundations to support the integration of refugees and asylum seekers.¹⁶ The Scottish integration strategy was quoted by the All-Party Parliamentary Group (APPG) on Social Integration as an example of very good practice.¹⁷ In England, the Integrated Communities Action Plan, published in February 2019, sets out a different way of working on integration, with new partnerships between all levels of government and civil society. The Action Plan, applicable only in England, touches on the following areas: strengthening leadership; supporting new migrants and local residents; education and young people; boosting English-language skills; places and communities; increasing economic opportunity; rights and freedoms; and measuring success.¹⁸

According to The Migration Observatory of the University of Oxford, the efficacy of the integration and inclusion policies targeting migrants in the UK is hindered by the multitude of policy approaches. There is also a lack of clarity on the division of responsibilities between national and local authorities and there are different interpretations of the concept of inclusion. In this last respect, there seems to be inconsistency between migrants' expectations and needs and the opportunities and services that are available. Another problematic aspect of the UK's integration policies is the reduced

data available on migrants, which jeopardises the monitoring and evaluation of integration processes that should inform future policies and practices.¹⁹

EDUCATION AND YOUTH UNEMPLOYMENT

Between 2011 and 2019, there has been a decrease in the early-school-leaving (ESL) rate in the UK, which fell from 14.9% in 2011 to 10.9% in 2019. Despite the improvement, this last rate is still above the 10% headline target set by the EU. The UK, when it was still part of the EU, was the only country that did not set a national target for its domestic I ESL rate. One interesting observation is that in most member states, ESL rates for foreign-born young people were higher than those for people born in the country – and significantly so in some cases, such as Spain, Italy, Germany, Austria, Cyprus and Greece. But in the UK, the native-born ESL rate was slightly higher than that of the foreign-born group. Nevertheless, a gender gap can be observed, which is in line with many EU countries: in 2019 the ELS was 12.3% for men and 9.4% for women.^{20 21} Policies that increase the variety of education on offer, by providing education and training opportunities beyond the age of compulsory education, can help reduce the ESL rate. In England, Opportunity Areas is a national, fixed-term programme focused on improving social mobility through education, and it includes measures to improve education and skills-training options for youths over 16. It includes delivery plans for 12 Opportunity Areas, which have been identified as those in greatest

15 Welsh Government (2019) Nation of Sanctuary – Refugee and Asylum Seeker Plan https://gov.wales/sites/default/files/publications/2019-03/nation-of-sanctuary-refugee-and-asylum-seeker-plan_0.pdf

16 Scottish Government (2018) New Scots: refugee integration strategy 2018 to 2022 <https://www.gov.scot/publications/new-scots-refugee-integration-strategy-2018-2022/>

17 All Party Parliamentary Group (APPG) on Social Integration (2020) Interim Report into Integration of Immigrants <http://www.britishfuture.org/wp-content/uploads/2020/04/Interim-Report-into-the-integration-of-immigrants.pdf>

18 HM Government (2019) Integrated Communities Action Plan https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/778045/Integrated_Communities_Strategy_Govt_Action_Plan.pdf

19 The Migration Observatory at the University of Oxford (2020) Policy Primer: Integration <https://migrationobservatory.ox.ac.uk/resources/primers/policy-primer-integration/>

20 European Commission (2019) Assessment of the Implementation of the 2011 Council Recommendation on Policies to Reduce Early School Leaving <https://op.europa.eu/en/publication-detail/-/publication/72f0303e-cf8e-11e9-b4bf-01aa75ed71a1/language-en>

21 Eurostat (2020) Early leavers from education and training by sex and labour status https://ec.europa.eu/eurostat/databrowser/view/edat_lfse_14/default/table?lang=en

need: there, the UK government outlines how it plans to improve young people's knowledge and skills and provide them with the best advice and opportunities.²²

Before the onset of the Covid-19 pandemic, the Higher Education Policy Institute in the UK published a report in March 2020, showing that the focus on graduate employment has fundamentally changed the way in which universities operate. It explored the recent focus by policymakers, students and employers on getting graduates into professional jobs, and it found some interesting statistics. For example, 76% of careers services had seen a change in student engagement with careers in the preceding three years, compared to 24% who saw no change. Moreover, 93% of careers services saw the increased policy focus on graduate outcomes as positive.

Clearly, the outbreak of Covid-19 has had, is having and will have important repercussions for youth employability. Before the pandemic, the rate of people up to age 24 considered as NEET (not in education, employment or training) was 10.5% in the UK in 2019.²³ The most recent Youth Unemployment Statistics briefing from the House of Commons, dated 11 August 2020 and based on the August Labour Force Survey, showed that the pandemic's biggest impact has not so far been on youth unemployment. However, other indicators do show that the pandemic is having a very significant impact on young people aged 16-24. For instance, as of 31 August, over 500,000 jobs held by people aged 24 or under were on furlough, or 13% of jobs.²⁴ More generally, one-third of 18-24-year-old employees have lost their jobs or been furloughed.²⁵ In addition, people in the 18-24 age group, including graduates as well

as students engaged in part-time employment, tend to work disproportionately in jobs that require face-to-face contact, so they are less likely to be able to work remotely. More young people report that they are likely to lose their jobs because of the virus than any other age group. Up to now, young people are also the most likely to have had their hours cut or lost their jobs.²⁶

In July 2020 the Chancellor of the Exchequer, Rishi Sunak, announced the GBP 2 billion Kickstart Scheme to create more jobs for young people, as part of an emergency package to prevent mass unemployment, particularly amongst young people.²⁷ The Confederation of British Industry (CBI), praised the scheme as a much-needed down-payment on young people's futures, whilst trade unions said it was a good first step.²⁸ The scheme was eventually published on 2 September 2020 and forms part of the UK government's Plan for Jobs. It is aimed at 16-24-year-olds and funds employers to create six-month job placements (which are not apprenticeships) for people who are currently on Universal Credit and at risk of long-term unemployment. It is being delivered by the Department for Work and Pensions (DWP) and will initially be open until December 2021, with the option of an extension. It applies across England, Scotland and Wales (with the government providing additional funding to Northern Ireland for a similar scheme). For each job placement, the funding covers: 100% of the relevant National Minimum Wage for 25 hours a week; the associated employer National Insurance contribution; and employer minimum automatic enrolment contributions. There is also GBP 1,500 available per job placement for setup costs, support and training. The government also announced that there will be extra

22 UK Government (2018) Social mobility and opportunity areas <https://www.gov.uk/government/publications/social-mobility-and-opportunity-areas>

23 Social Scoreboard (2020) United Kingdom <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/profile>

24 UK Parliament (2020) Youth Unemployment Statistics <https://commonslibrary.parliament.uk/research-briefings/sn05871/>

25 Resolution Foundation (2020) Young workers in the coronavirus crisis <https://www.resolutionfoundation.org/app/uploads/2020/05/Young-workers-in-the-coronavirus-crisis.pdf>

26 Higher Education Policy Institute (2020) David Willetts: We must stop young people losing out from the Covid-19 crisis <https://www.hepi.ac.uk/2020/03/31/david-willetts-we-must-stop-young-people-losing-out-from-the-covid-19-crisis/>

27 UK Government (2020) Kickstart Scheme <https://www.gov.uk/government/collections/kickstart-scheme>

28 BBC (2020) Coronavirus: Rishi Sunak unveiling 'kickstart jobs scheme' for young people <https://www.bbc.com/news/uk-politics-53324201>

resources available to support those people who have completed a job funded by Kickstart Scheme to further build their experience and help them move into sustained employment.²⁹

Among the conditions that apply to employers that want to benefit from the scheme is that they aim to create a minimum of 30 job placements. This requirement could represent a problem for small enterprises. So, to prevent discrimination in this sense, the scheme

foresees partnerships between small enterprises and other organisations to reach this minimum threshold. However, SMEs have reported that there is little guidance for them and have claimed that the measure was conceived to benefit bigger corporations.³⁰ To respond to this need, the UK government in November 2020 added “Kickstart gateways” to the scheme, organisations that coordinate partnership agreements for employers that can only offer 29 or fewer job placements.³¹

FAIR WORKING CONDITIONS

WORKING CONDITIONS

After the UK went into lockdown in the spring, people were required to work from home wherever this was possible, with only frontline workers or those unable to work at home continuing to work in public-facing roles, albeit with additional health and safety measures. Regional and socio-economic differences were revealed by the Office for National Statistics’ Labour Market Survey. People in jobs requiring higher qualifications and experience were much more likely to work from home. Furthermore, residents of London were more likely to work from home than those in other regions: the proportion of people homeworking was 57.2% in London, compared to 35.3% in the West Midlands.³² Currently, different guidelines are provided by central and local governments on workplace safety. These are constantly

updated in the light of the health situation and contain specific provisions for different business areas.³³

Nevertheless, there have been cases of specific business sectors where the health and safety of workers have not been sufficiently protected, such as the meat industry, in particular meat processing plants. This industry failed in its duty to protect employees and the wider public’s health, not only in the UK, but in the EU too.³⁴ In the UK, this led to more Covid-19 outbreaks and a consequent increase in risks for public health. The situation was exacerbated by on-site accommodation at many of these plants, where several workers live and sleep in each dormitory. They are transported to the worksite together in vehicles, after which they work and spend time together indoors throughout the day.³⁵

29 UK Government (2020) Kickstart Scheme <https://www.gov.uk/government/collections/kickstart-scheme>

30 Ruzicka, A. (2020) How does the Kickstart Scheme work? 10 key questions answered on the long-awaited £2bn plan to get young people into jobs <https://www.thisismoney.co.uk/money/smallbusiness/article-8694325/Kickstart-Scheme-does-work-good.html>

31 UK Government (2020) Help employers apply for a Kickstart Scheme grant (Kickstart gateway) <https://www.gov.uk/guidance/help-employers-apply-for-a-kickstart-scheme-grant-kickstart-gateway>

32 Office for National Statistics (2020) Coronavirus and homeworking in the UK: April 2020 <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/coronavirusandhomeworkingintheuk/april2020>

33 UK Government (2020) Working safely during coronavirus (COVID-19) <https://www.gov.uk/guidance/working-safely-during-coronavirus-covid-19/updates>

34 The British Medical Journal (2020) Meat plants—a new front line in the covid-19 pandemic <https://www.bmj.com/content/370/bmj.m2716>

35 BBC (2020) Coronavirus: Why have there been so many outbreaks in meat processing plants? <https://www.bbc.com/news/53137613>

At the beginning of September, the government urged Whitehall bosses to get civil-service staff back into their offices faster. The government said it wanted 80% of civil servants to be able to attend their usual workplace at least once a week through rota systems by the end of September. This was met with criticism from trade unions, which branded this attitude as outdated, as workplaces have gone through lasting changes as a result of the pandemic. Unions said that ministers should better focus on adapting to a new world of work. The civil service union, FDA, stated that the number of civil servants returning to work had been steadily rising and that by the end of 2020 it would probably reach between 30% and 40%.³⁶

According to the National Strategy Group, working arrangements will be transformed by the pandemic, not just for the long term but likely forever. With the new arrangements will come further changes to employment law, working conditions and labour rights. The NSG also draws attention to the impact of Covid-19 on absence from work and entitlement to pay. During the past months, the UK government approved many temporary changes to labour law, such as statutory sick pay (SSP), which is applied from day one for employees who have or may have Covid-19 or those who have to self-quarantine. This last point became particularly problematic for workers who had to self-isolate because they were returning from abroad. As the UK government, during the first wave, rapidly put different countries and regions on the quarantine-exempt list and then removed from the list and sometimes returned them to it, many people were caught out. That meant they were unable to return to work prior to the last-minute introduction of the quarantine requirement, but some did not have the right to SSP because they were feeling well.³⁷ Consequently, the National Strategy Group points out, this situation was unfair for many workers.

PRECARIOUSNESS

Precarious work is a problem in the UK and has become an even more pressing issue as a result of the pandemic. It is expected to continue impacting working conditions in the country. According to an analysis by the Trades Union Congress (TUC) in 2019, 3.7 million people were in insecure work because they were low-paid self-employed (1.85 million); agency, casual or seasonal workers (1.11 million); or else on zero-hour contracts (718,000). This represents one in nine of the UK workforce.³⁸ Earlier research from the TUC, published in 2017, sheds light on the labour market experiences of casual workers. Casual workers experience significant fluctuations in both their level of pay and the regularity of payment, so they struggle financially and suffer from considerable levels of anxiety over whether they can support themselves and their families. More specifically, workers in casual employment were more likely to be young, non-white and employed in an unskilled occupation. They were more likely to experience lower job and life satisfaction and to have low employment security and relatively high levels of anxiety and depression. In terms of mental health, perceived low employment security and working weekends were associated with higher levels of anxiety and depression. Anxiety levels tended to be higher among workers without regular work hours. A gender divide emerged from the study as well: women were more likely to leave employment than men and had a lower likelihood of securing a permanent contract. In addition, workers with at least one dependent child aged less than 16 were more likely to leave employment than those without dependent children.³⁹

The NSG reports that in some of the most deprived areas of the UK, middle-aged men working in manual, low-skilled jobs in factories have been amongst the hardest hit by the Covid-19 crisis. Factory closures during lockdown led to

36 BBC (2020) Coronavirus: Civil servants 'must get back to offices quickly' <https://www.bbc.com/news/uk-politics-54035770>

37 UK Government (2020) Statutory Sick Pay <https://www.gov.uk/statutory-sick-pay>

38 Trade Union Congress (2019) Insecure work <https://www.tuc.org.uk/research-analysis/reports/insecure-work>

39 Trade Union Congress (2017) Living on the Edge <https://www.tuc.org.uk/sites/default/files/insecure%20work%20report%20final%20final.pdf>

job losses among people with very little prospect of retraining and reemployment in another industrial sector. The Understanding Society Covid-19 Survey and the briefing note on the economic effects of the pandemic support the feedback from the NSG. They show that, between February and April 2020, the fall in working hours was particularly large for men (and women) educated to less than degree level. The fall in hours was greatest for people whose employers set their hours without any minimum (i.e. zero-hour contracts), followed by self-employed people. Of those reporting a decline in hours worked, 43% were furloughed employees, and 14% had suffered a loss of self-employment business. Average household earnings fell by 8%. While there was a fall across all levels of earnings, the largest impact fell on the household earnings of the bottom 20% in terms of long-term income. Comparing household earnings before and after the pandemic, 23% of individuals reported a loss of more than 20%, and losses were particularly severe for single parents.^{40 41}

GENDER EQUALITY

Fifty years after the passage of the Equal Pay Act 1970 in the UK – which concerned overtime, paid leave and other benefits as well as basic pay – examples abound of unlawful, unequal pay, the NSG reports. In 2017, the UK government made it compulsory for companies with more than 250 employees to report their gender pay gaps, and the first set of figures was published in 2018. Data from the Office for

National Statistics (ONS) for 2019 show that the gender pay gap for all employees stood at 17.3% and was 8.9% for full-time employees. (The difference is because more women are in part-time jobs, and for gender-based reasons these tend to be lower paid.⁴² Overall, the UK performs better on the Gender Equality Index than many countries in the EU: its general score for 2020 (72.7) is higher than the EU average (67.9), and it places sixth in the general ranking. In the domain of money, however, its position (14th) is much less positive.⁴³

A report from The Equality Trust with respect to gender-based pay discrimination shows that overall, companies are not operating transparent pay structures. Also, the vast majority of companies do not advertise a pay rate for the role they are recruiting or even a salary range. This is a high-risk practice in terms of gender pay gaps. The reporting of gender pay gaps has shined a light on the extent of gender pay and bonus gaps within companies: the highest gender pay gap reported by a FTSE 100 company this year was just over 55%. But the reporting has not produced the cultural shift that would lead to action needed to rapidly close the gap. The 10 companies (or their subsidiaries) on the FTSE 100 reporting the biggest gender pay gaps all had gaps of over 40%. The gaps are even greater for bonuses, where the 10 biggest gender gaps exceed 75%: on average, for every GBP 1,000 a woman gets as a bonus, a man will receive over GBP 4,000. At the current rate of progress – the change in gap from 2018 to 2019 – it will take almost 200 years before the gender pay gap is eliminated.⁴⁴

40 Understanding Society (2020) Covid-19 Survey <https://www.understandingsociety.ac.uk/topic/covid-19>

41 Understanding Society (2020) Covid-19 Survey – Briefing Note Wave 1: April 2020, The Economic Effects <https://www.understandingsociety.ac.uk/sites/default/files/downloads/working-papers/2020-10.pdf>

42 Office for National Statistics (2019) Gender pay gap in the UK: 2019 <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/genderpaygapintheuk/2019>

43 European Institute for Gender Equality (2020) Gender Equality Index – United Kingdom <https://www.equalitytrust.org.uk/sites/default/files/Equal%20Pay%20Report%202020.pdf>

44 The Equality Trust (2020) Fifty Years is Long Enough: A Report by The Equality Trust into Unlawful Pay Discrimination <https://www.equalitytrust.org.uk/sites/default/files/Equal%20Pay%20Report%202020.pdf>

GOOD PRACTICE

#EQUALPAY50 CAMPAIGN

In relation to not just gender equality in employment, but also equality of pay and non-discrimination across other groups and areas, the Equality Trust launched its #EqualPay50 campaign in May 2020.⁴⁵ This initiative brings together a range of stakeholders to increase the pressure on UK employers to meet their legal obligation towards equal pay. The key recommendations of the campaign focus on pay transparency and intersectional pay practices that import gender discrimination and disadvantages. To celebrate the 50th anniversary of the Equal Pay Act in May 2020, the organisation coordinated letters to over 100 MPs, and launched a video and a new platform featuring the stories of women who have experienced unequal pay.

Besides the gender pay gap, other forms of gender discrimination in the UK emerge from the European Institute for Gender Equality (EIGE). The country's scores have decreased in the areas of knowledge, time and health since 2010. In general, the UK has improved slowly over the last three years, with an increase of 0.5 points to its overall score. On a positive note, the UK has registered a relevant improvement in the domain of power, where its ranking has improved two positions since

2010.⁴⁶ The gender employment gap, which is close to 10 percentage points, represents one of the main challenges for the UK. Among the causes is inadequate provision of affordable childcare and social services. In 2018, 37.6% of women reported inactivity due to family and caring responsibilities, 5.8 percentage points above the EU average. This is particularly concerning with respect to the 25-49 age group, as is 61% of inactive women in this age group report that their inactivity is due to care responsibilities. The UK had one of the highest rates (42%) of women working part-time in the EU.⁴⁷

WORK-LIFE BALANCE

The Chartered Institute of Personnel and Development (CIPD), through its annual Good Work Index, provides evaluation and insight into the quality of work in the UK. The 2020 edition is based on surveys carried out just before the pandemic but is supplemented by additional surveys monitoring the effects of Covid-19. The key findings are that workers in managerial and professional occupations have the worst work-life balance. They are also more likely to report finding it hard to relax in their personal time because of the nature of their job.⁴⁸ The NSG points out that this result contrasts with the tendency for managerial and professional workers to have the greatest access to flexible working arrangements. The CIPD Index also reports on flexible working arrangements, including working from home in normal working hours. Before the pandemic, the most striking difference between occupational classes was

45 Equality Trust (n.a.) #EqualPay50 <https://www.equalitytrust.org.uk/equalpay50>

46 European Institute for Gender Equality (2020) Gender Equality Index – United Kingdom <https://www.equalitytrust.org.uk/sites/default/files/Equal%20Pay%20Report%202020.pdf>

47 European Commission (2020) Country Report United Kingdom 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0527&from=EN>

48 Championing better work and working life (2020) CIPD Good Work Index 2020 https://www.cipd.co.uk/Images/good-work-in-dex-full-report-2020-2_tcm18-79210.pdf

around homeworking. There are also substantial variations in flexi-time arrangements. In fact, the overall results reveal that employees in lower occupational classes benefit much less from flexible work arrangements than their higher-skilled counterparts.⁴⁹ Work flexibility can represent a problem for workers when it is one-sided. In order to gather information on this phenomenon, the government launched consultations on one-sided flexibility and the establishment of a single enforcement body to stop workplace exploitation. The Taylor review found evidence of employers abusing one-sided flexibility arrangements. In some cases, they sent workers home when customer demand was low or they cancelled some work hours at the last-minute. In response, the government commissioned the Low Pay Commission to develop proposals to tackle these practices.⁵⁰

Parental leave has been an area of serious debate in recent months. More than 236,000 people signed an online petition to extend maternity leave and statutory maternity pay by three

months, saying that this would allow parents and babies to socialize and bond through baby groups. These are vital for child development but were stopped during the lockdown due to social distancing.⁵¹ The government rejected most of the Petitions Committee's recommendations, stating that the current arrangements are sufficiently generous.⁵²

With regard to misuse of non-disclosure agreements (NDA), the previous government in 2019 proposed a law to prohibit the use of such agreements when they prevent people from revealing information to the police, doctors, social services etc., especially in cases of sexual harassment, racial discrimination and assault.⁵³ New guidelines for sexual-assault cases were also published by the Equality and Human Rights Commission in January 2020.⁵⁴ The guidance is not yet legally binding, but it could become so after feedback from the Consultation on Sexual Harassment in the Workplace,⁵⁵ which was launched in July 2019, is published.

49 Championing better work and working life (2020) CIPD Good Work Index 2020 https://www.cipd.co.uk/Images/good-work-index-full-report-2020-2_tcm18-79210.pdf

50 Eurofound (2020) Living and Working in the United Kingdom <https://www.eurofound.europa.eu/country/united-kingdom>

51 UK Government and Parliament (2020) Extend maternity leave by 3 months with pay in light of COVID-19 <https://petition.parliament.uk/petitions/306691>

52 UK parliament (2020) Government Response to recommendations and conclusions <https://publications.parliament.uk/pa/cm5801/cmselect/cmpetitions/770/77003.htm>

53 Eurofound (2020) Living and Working in the United Kingdom <https://www.eurofound.europa.eu/country/united-kingdom>

54 Equality and Human Rights Commission (2020) New guidance calls for employers to step up and protect staff from harassment <https://www.equalityhumanrights.com/en/our-work/news/new-guidance-calls-employers-step-and-protect-staff-harassment>

55 UK Government (2019) Consultation on Sexual Harassment in the Workplace <https://www.gov.uk/government/consultations/consultation-on-sexual-harassment-in-the-workplace>

SOCIAL PROTECTION AND INCLUSION

LIVING CONDITIONS AND HOUSING

Living conditions have been hugely impacted by the pandemic and its economic consequences. The above-mentioned Covid-19 Survey by Understanding Society reveals that between February and April 2020, two-thirds of respondents reported reduced spending, and 25.9% had to resort to using their savings. In addition, significant percentages of people had to borrow from financial institutions, request a mortgage holiday, receive financial support from family or friends, or apply for universal credit. Those in the lowest 20% of household incomes were much more likely to ask for financial help from family or friends, as were single parents. The incidence of arrears was higher than in 2017 and 2018. Arrears on non-housing bills were largest for the lowest 20% of household incomes and single parents.⁵⁶ Data are even more worrying on the economic losses for the most vulnerable groups. In the highest income bracket, average earnings stood at GBP 832 a week in February 2020 and then fell by GBP 46. In the lowest income bracket, they fell by GBP 43 but from a far lower weekly average of just GBP 297. Single-parent households lost more than twice as much in earnings as households with children and more than one adult.⁵⁷ Moreover, twice as many people expect their financial situation to get worse (19.7%) than expect it to get better (9.3%). In the bottom quantile and among single parents, three times as many expect things to get worse as expect an improvement.⁵⁸ The National Strategy Group states that the impact of Covid-19 will have an impact on living conditions in the future, though

a lot will depend on factors such as vaccines, future waves of infection, improvements in test-and-trace procedures and government interventions to support citizens.

The UK is experiencing a housing crisis. According to Paul Cheshire and Christian Hilber of the London School of Economics, the real problem is unresponsive supply, and there is a need for radical changes to the apathy of UK housing policy. Since 2015, neither the successive governments in power nor the opposition has come out with any effective policy to tackle the housing crisis. Where there has been action, it has been ineffective at best and counterproductive at worst. More precisely, demand-side policies have proved ineffective because they pushed house prices higher, especially in the least affordable areas where productive jobs are concentrated. Moreover, housing supply has been unresponsive, as restrictions on land and space have prevented cities from growing; local communities have virtually no incentive to permit residential development; and the planning system is dysfunctional. Young people suffer the most, and the ability of the under-40s to buy a house has continued to erode, increasing both inter-generational and inter-regional inequalities.⁵⁹ The affordability of housing has become a point of concern for trade unions as well, as high private rents and house prices have priced many public-service workers out of housing.⁶⁰ Younger would-be buyers, especially, are priced out of areas with productive jobs, and workers have to commute increasingly long distances from remote areas.

56 Understanding Society (2020) Covid-19 Survey –Briefing Note Wave 1: April 2020, The Economic Effects <https://www.understandingsociety.ac.uk/sites/default/files/downloads/working-papers/2020-10.pdf>

57 Institute for Social and Economic Research at University of Essex (2020) Single mothers and lowest paid hit hardest by loss of income in Covid-19 crisis <https://www.iser.essex.ac.uk/2020/05/29/single-mothers-and-lowest-paid-covid>

58 Understanding Society (2020) Covid-19 Survey –Briefing Note Wave 1: April 2020, The Economic Effects <https://www.understandingsociety.ac.uk/sites/default/files/downloads/working-papers/2020-10.pdf>

59 LSE (2019) The UK's housing crisis: what should the next government do? <https://blogs.lse.ac.uk/politicsandpolicy/housing-crisis-what-should-the-next-government-do/>

60 Unison (n.a.) Housing <https://www.unison.org.uk/at-work/community/key-issues/housing/>

The 2019 English Housing Survey showed that a staggering 93% of UK homes did not meet basic accessibility standards, and many developers were not building new homes suitable for people as they become older. According to the survey, one in five homes in the UK was deemed non-decent, and non-decent homes were disproportionately lived in by older people, many of whom have to cope with long-term health conditions or disabilities.⁶¹

The UK government, as part of its coronavirus measures, has introduced several provisions to protect housing. Minimum-notice periods have been extended. For notices served between 26 March 2020 and 28 August 2020, the minimum period was three months, but from 29 August 2020 until 31 March 2021 it is six months (with applicable exceptions). There were payment breaks for mortgage holders facing difficulties in repayment and measures to prevent homelessness and rough sleeping and to support those fleeing domestic abuse.⁶²

JUST AND GREEN TRANSITION

There has been increasing, ever wider support from civil society for decarbonising the UK economy. The most visible recent campaigns, strikes, disruptions have been led by the Extinction Rebellion, XR.⁶³ Greenpeace has estimated that the UK alone could help create 1.8 million jobs by investing in a green economic recovery after the Covid-19 pandemic. However, this will not happen without the commitment of time and financial resources from politicians and businesses. Greenpeace rightly

warns that if a transition to a greener economy is done without coherent policies and robust strategies, it could backfire by making things worse and losing public support for definitive action on climate change. In the view of the environmental NGO, three elements are necessary for these policies and strategies to work: collaboration between national and regional governments; a local approach to better adapt measures to local specificities; and money.⁶⁴ To properly support a just transition in the UK, the government needs to spend at least GBP 5 billion per year.⁶⁵ The European Commission observes that greater investments are needed to modernise and expand infrastructure networks.⁶⁶

The UK government is legally bound to reduce overall CO₂ emissions in 2050 by 80% compared with 1990 levels, and reducing vehicle emissions is a critical element. In addition, the government has pledged to stop the sale of all new conventional petrol and diesel cars and vans by 2040. But in 2019 only 1.1% of all new cars sold were electric,⁶⁷ as upfront purchase costs and the lack of availability of charging infrastructure are prohibitive for many potential customers. The current range of electric vehicles is also relatively narrow.

The European Commission in its Country Report notices that the United Kingdom has made good progress in decarbonising its economy. Nevertheless, more efforts are required to transition to a carbon-neutral economy. The country has achieved good results in terms of greenhouse gas emissions, which decreased by 21% from 2005 to 2018. Also, emissions

61 Centre for Ageing Better (2019) UK on verge of accessible housing crisis as poll shows Brits want homes to suit all ages <https://www.ageing-better.org.uk/sites/default/files/2019-02/UK-Faces-Accessible-Housing-Crisis-As-Poll-Shows-Brits-Want-Homes-To-Suit-All-Ages-Centre-for-Ageing-Better.pdf>

62 Shelter Legal (2020) Covid-19: Protection for tenants https://england.shelter.org.uk/legal/housing_options/covid-19_emergency_measures/rent_arrears_and_eviction

63 BBC (2020) Extinction Rebellion protesters block newspaper printing presses <https://www.bbc.com/news/uk-england-54038591>

64 Greenpeace (n.a.) The just transition <https://www.greenpeace.org.uk/challenges/just-transition/>

65 Environmental Justice Transition (2020) Faster, Further, Fairer <https://www.ippr.org/files/2020-05/faster-further-fairer-ejc-interim-may20.pdf>

66 European Commission (2020) Country Report United Kingdom 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0527&from=EN>

67 BBC (2019) The five major challenges facing electric vehicles <https://www.bbc.com/news/uk-49578790>

from non-ETS sectors will be 27% below the 2005 level by the end of 2020, exceeding the EU target by 9 percentage points. However, if additional measures are not implemented, the UK will miss its 2030 target (a 37% decrease) by 5 percentage points. In its 2019 annual report to the UK Parliament on progress in reducing emissions, the Committee on Climate Change (CCC) concluded that UK action to reduce greenhouse gas emissions was lagging behind what is needed to meet legally-binding emissions targets.⁶⁸

FIGHT AGAINST POVERTY

In June 2020, the Institute for Fiscal Studies (IFS) published an analysis, 'Living standards, poverty and inequality in the UK: 2020',⁶⁹ which provides a helpful insight into policies to eradicate poverty in the UK and puts them in the perspective of the Covid-19 pandemic. It shows that, when the pandemic hit the UK and the national lockdown and restrictions were introduced, income growth had already been extremely disappointing for several years. Median household income was the same in 2018-19 (the latest available data) as it was in 2015-16. The combined effect has been a decade of poor improvements in living standards, with average income before housing costs growing less than over any other decade since records began in 1961. The main reason has been price rises since 2016.

The analysis states that in recent years, income growth has stalled for people of all ages. Trends amongst low-income households have been the worst, with five consecutive years of income stagnation due to falls in income from working-age benefits and tax credits. Working-age benefits were frozen in cash terms, so the inflationary rise since 2016 reduced

their real value by 5%. Overall relative poverty, measured by income after housing costs (AHC), was 22% in 2018-19. Child poverty increased by 3%, the biggest sustained rise since the early 1990s. Moreover, the at-risk-of-poverty-or-social-exclusion rate increased by 1.6 percentage points to 23.6% in 2018, significantly exceeding the EU average of 21.9%. Both relative poverty and material deprivation rose. Severe material deprivation increased by 0.5 percentage point between 2017 (4.1%) and 2019 (4.6%). In 2018, the at-risk-of-poverty rate increased to 18.9% from 17% in 2017. As a consequence of social security system reforms enacted recently, the power of social transfers to reduce poverty effects decreased between 2017 and 2018, from 41.7% to 35.9%. As a result, income inequality after transfers increased.⁷⁰

As has been evident from the earlier narrative, the workers who are most at risk from Covid-19 and whose livelihoods were made most precarious already tended to have relatively low incomes – and thus be relatively more likely to experience poverty – before the pandemic. The last striking finding from this IFS analysis is that, despite temporary increases in benefits announced by the UK government in response to the pandemic, the benefits system in 2020 still provides less support to out-of-work households than it did in 2011.

HEALTHCARE

The health sector was, for obvious reasons, hugely impacted by the Covid-19 crisis. Among the consequences of the pandemic is the reorganization of work in the sector. In UK, this reorganization meant that many health services, particularly general practitioner (GP) services, were provided via phone or video.

68 European Commission (2020) Country Report United Kingdom 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0527&from=EN>

69 Institute for Fiscal Studies (2020) Living standards, poverty and inequality in the UK: 2020 <https://www.ifs.org.uk/uploads/R170-Living-standards-poverty-and-inequality-in-the-UK-2019-2020%20.pdf>

70 European Commission (2020) Country Report United Kingdom 2020 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020SC0527&from=EN>

This was crucial, as access to GP services and medication (ongoing and sporadic) available only on prescription was a vital area of intervention during the pandemic for people to feel some sense of health security. NHS figures from May 2020 revealed that 48% of GP appointments were carried out over the phone, compared with just 14% in February 2020.⁷¹ In April 2020, 98% of those who needed prescription medications were still able to obtain them, and three-quarters of those who needed GP services or the pharmacist still received the services they required.⁷² In addition, the British Medical Association completed a wide-ranging Covid-19 tracker survey in June 2020. This showed that, from March until June, 95% of GPs were providing remote consultations for their patients. GPs surveyed also remarked on the extent to which their ability to provide remote consultations for patients was limited by different factors, including internet speed, training and IT hardware and software.⁷³ Different GP practices faced different experiences and circumstances across the country, so the NSG assumes that there were regional and even local variations. These discrepancies have been widened by the prescription system in the UK. In Wales, Scotland and Northern Ireland, there are no charges for prescriptions for all patients registered with a GP, when the patient gets their prescription from a pharmacy in the same nation. But in England, there was a prescription charge for medication from the NHS of GBP 9.15 in April 2020. Free prescriptions are available only to certain groups of patients.⁷⁴

The above-mentioned survey by the British Medical Association showed that the pandemic can be useful for learning about the NHS.

Over 55% of GPs who took part in the survey said that during lockdown, they felt much less burdened by bureaucracy. When asked about which changes in terms of delivery of services they felt should be retained in the longer term, 82% of GPs said the need to have less paperwork and bureaucracy; 89% of the respondents mentioned greater use of remote consultations.⁷⁵

The National Strategy Group reports that in terms of accessibility and affordability, the NHS maintains the principles upon which it was founded: it meets the needs of everyone; it is free at the point of delivery; and treatment is based on clinical need, not the ability to pay. A lot has changed since its founding in 1948, and the NHS today faces many challenges. But the UK remains one of the few countries in which patient consultations with a GP are free. Even before the pandemic, however, the NHS has been challenged by lengthening waiting times for treatment, and in 2018 it fell short of the target of seeing 95% of patients in accident and emergency (A&E) departments within four hours. In some instances, especially in winter, it fell under 80%.⁷⁶ Some areas of healthcare provision were impacted during lockdown, such as A&E departments, cancer screening and diagnosis. In April 2020, 60% of those people who had expected or needed inpatient care did not have treatment, in most cases due to cancellation by the NHS. Of those who required outpatient care, 42% had their appointments cancelled. Even for people suffering from cancer, only 40% received treatment between February and April 2020; 53% had treatment cancelled; and the rest cancelled it themselves.⁷⁷ The Health Foundation looked in

71 The Guardian (2020) GP appointments by phone and video surge during coronavirus lockdown <https://www.theguardian.com/society/2020/jul/05/gp-appointments-phone-video-coronavirus-lockdown-nhs>

72 Understanding Society (2020) Covid-19 Survey – Briefing Note Wave 1: April 2020, The Economic Effects <https://www.understandingsociety.ac.uk/sites/default/files/downloads/working-papers/2020-10.pdf>

73 the British Medical Association (2020) 1 June 2020 BMA COVID-19 tracker <https://www.bma.org.uk/media/2557/bma-covid-19-survey-results-for-gps-4-june-2020.pdf>

74 NHS (n.a.) NHS Help with Health Costs <https://www.nhsbsa.nhs.uk/help-nhs-prescription-costs/free-nhs-prescriptions>

75 British Medical Association (2020) 1 June 2020 BMA COVID-19 tracker <https://www.bma.org.uk/media/2557/bma-covid-19-survey-results-for-gps-4-june-2020.pdf>

76 The Guardian (2018) NHS hospitals in England record worst ever A&E performance <https://www.theguardian.com/society/2018/feb/08/nhs-hospitals-england-worst-a-and-e-performance>

77 Understanding Society (2020) Covid-19 Survey – Briefing Note Wave 1: April 2020, The Economic Effects <https://www.understandingsociety.ac.uk/sites/default/files/downloads/working-papers/2020-10.pdf>

May at how Covid-19 had changed the use of emergency care.⁷⁸ A&E visits were 57% lower in April 2020 than the year before, with the fall being larger in minor A&E units (71%) than in major (48%). This is consistent with less-worrying conditions being directed to other NHS services or people choosing to avoid seeking medical help, due to the fear of contracting Covid-19 in a hospital environment.⁷⁹ The reduction in admissions for acute conditions such as stroke and heart attack have been the biggest concern.

In all four devolved nations of the UK, refugees and asylum seekers who have an active application or appeal in place are entitled to receive free primary NHS care. The situation faced by failed asylum seekers is more complicated and differs between England, Wales, Scotland and Northern Ireland. For secondary care, all

refugees and asylum seekers with an active application or appeal can access the full range of secondary care services, cost-free, in all four nations. In Wales, Scotland and Northern Ireland, any person who has previously made a formal application for asylum, regardless of the outcome, is entitled to free secondary care. For asylum seekers who have been refused, the ability to access care in England will depend on whether the care is immediately necessary, urgent or non-urgent, and whether any exemptions might apply. In any case, refused asylum seekers must always receive treatment that is immediately necessary and urgent, regardless of their status or ability to pay, though they might be billed at a later date. For non-urgent treatment, NHS Trusts and some community services are required to charge refused asylum seekers before providing the care needed unless they qualify for an exemption.⁸⁰

78 Health Care Foundation (2020) How is COVID-19 changing the use of emergency care? <https://www.health.org.uk/news-and-comment/charts-and-infographics/how-is-covid-19-changing-the-use-of-emergency-care>

79 NHS (2020) A&E Attendances and Emergency Admissions <https://www.england.nhs.uk/statistics/statistical-work-areas/ae-waiting-times-and-activity/>

80 British Medical Association (2020) Refugees' and asylum seekers' entitlement to NHS care <https://www.bma.org.uk/advice-and-support/ethics/refugees-overseas-visitors-and-vulnerable-migrants/refugee-and-asylum-seeker-patient-health-toolkit/refugees-and-asylum-seekers-entitlement-to-nhs-care>

CIVIC SPACE

FREEDOM OF ASSOCIATION AND PEACEFUL ASSEMBLY

The International Centre for Not-For-Profit Law has a very helpful Covid-19 Civic Freedom Tracker, which monitors government responses to the pandemic that affect civic freedoms and human rights, focusing particularly on emergency laws. In the UK, the Coronavirus Act 2020 gives the UK authorities emergency powers to address the pandemic, which include the possibility for the government to restrict public events and other gatherings.⁸¹ The Coronavirus Act has impacted rights such as the freedoms of association, assembly and movement, especially during the full national lockdown. This curb on civic freedoms was introduced to fight the pandemic and protect lives. The National Strategy Group observes that if we were to look at freedom of association in the UK before the onset of the pandemic, it would be evaluated as generally respected and protected.

However, from the 2020 Civic Space Monitor published by CIVICUS, it emerges that there have been some obstacles to the full enjoyment of such rights in the UK. Occasional harassment, arrest or assault of people deemed critical of those in power are the main impediments to freedom of assembly according to the Monitor. Moreover, the right of peaceful assembly could be jeopardised by authorities denying permission due to security concerns and using excessive force.⁸² An article in the Independent on 15 May 2020 revealed that

a review by the Crown Prosecution Service (CPS) found all prosecutions under the Coronavirus Act unlawful, although most charges under separate Health Protection Regulations were lawful. At that time, 44 charges brought under the Act were incorrect, and the review was launched by the CPS after miscarriages of justice were highlighted in the media.⁸³ Furthermore, the pandemic has led to worries that many civil society organisations (CSOs) will have to close and cease operating, thus cutting off the voices of the people they represent, who are often in vulnerable situations. The government's support package for charities was welcomed but deemed not enough to prevent charities across the country from closing. The National Council for Voluntary Organisations (NCVO) stated further that many CSOs that survive will look very different in future: many will have severely reduced capacity to provide the support that so many people rely on.⁸⁴

Despite the Act and the measures limiting peaceful demonstrations, many peaceful assemblies have taken place over recent months, especially after the murder of George Floyd in the United States and the subsequent global outcry and support for the Black Lives Matter movement. In the view of the National Strategy Group, this proved the importance of in-person demonstrations and showed that protesting and assembly will never be fully possible online. Human presence and peaceful assembly need to be protected, while of course balancing them with the need to protect people from the virus.

81 International Centre for Not-For-Profit Law (2020) COVID-19 Civic Freedom Tracker <https://www.icnl.org/covid19tracker/?location=133&issue=&date=&type=>

82 CIVICUS (2020) United Kingdom <https://monitor.civicus.org/country/united-kingdom/>

83 The Independent (2020) All prosecutions under new Coronavirus Act unlawful, review finds <https://www.independent.co.uk/news/uk/home-news/coronavirus-act-unlawful-prosecutions-review-uk-a9516566.html>

84 National Council for Voluntary Organisations (2020) The impact of covid-19 on the voluntary sector <https://publications.ncvo.org.uk/impact-covid-19-voluntary-sector/key-points/>

FREEDOM OF SPEECH

Freedom of speech and the press have been respected in the UK. But during the pandemic, groups such as Reporters Without Borders (RSF) have reported instances where media outlets voicing concerns over press freedom under the lockdown were dismissed by the government.

On 26th May 2020, a major scandal involving the prime minister's senior adviser Dominic Cummings was reported by the media. The Guardian and the Daily Mail reported that Cummings and his family had travelled 260 miles (420 km), during national lockdown, while his wife was experiencing symptoms related to Covid-19 and despite the government issuing guidelines for staying at home at the time. The media were subject to attacks on social media (especially on Twitter) through hashtags such as #ScumMedia. In response to the media coverage on the issue, the prime minister's office declared that the reports were based on "false allegations", "falsehoods and errors" and an "inaccurate article". They said they "will not waste time answering a stream of false allegations about Mr Cummings from campaigning newspapers".⁸⁵ The episode showed how the government and parts of society sometimes set out to discredit the media.

The UK is ranked 35th out of 180 countries in the Reporters Without Borders' 2020 World Press Freedom Index. It had risen seven places in 2019, bringing it to 33rd after spending the previous two years at 40th. Despite the UK government's key role in promoting media freedom at a global level, domestic developments showed a darker side to the country. There have been serious episodes such as the murder of Lyra McKee and active threats to the safety

of journalists in Northern Ireland. Wikileaks founder Julian Assange has been detained and faces possible extradition to the US. These incidents have undermined the UK's efforts to protect and promote freedom of press.⁸⁶

INVOLVEMENT OF CIVIL SOCIETY ORGANISATIONS

Active involvement of the voluntary and community sector is vital for the maintenance of high-quality social dialogue with the government, policymakers and decision-makers. Across the UK, there are sectoral umbrella bodies that help to coordinate CSO activities, especially around joint advocacy, visibility and voice. In England, NCVO is responsible for this; in Wales, it is the Wales Council for Voluntary Action (WCVA); in Scotland, it is the Scottish Council for Voluntary Organisations (SCVO); and, across the Irish Sea, it is the Northern Ireland Council for Voluntary Action (NICVA). All the councils are helpful channels of communication between the voluntary sector and the government. They advocate for increased involvement of civil society in the development of policies and programmes and for drawing upon the direct experiences and reach of civil society earlier and more widely.

Some improvements could increase the effectiveness of CSOs' participation in decision-making processes. The NSG points out that by working together transparently and in a mutually supportive manner, more can be achieved, especially in times of crisis, such as the current Covid-19 pandemic. One example is a report in June 2020, 'Beyond Us and Them' by the University of Kent with Belong, funded by the Nuffield Foundation, which looked at the perception of Covid-19 and social cohesion.⁸⁷

⁸⁵ Reporters Without Borders (2020) UK: Press freedom under threat in lockdown as government dismisses reporting from "campaigning newspapers" <https://rsf.org/en/news/uk-press-freedom-under-threat-lockdown-government-dismisses-reporting-campaigning-newspapers>

⁸⁶ Reporters Without Borders (2020) RSF Index 2020: UK ranking declines following the murder of journalist Lyra McKee <https://rsf.org/en/news/rsf-index-2020-uk-ranking-declines-following-murder-journalist-lyra-mckee>

⁸⁷ University of Kent; Belong (2020) Beyond Us and Them <https://www.belongnetwork.co.uk/wp-content/uploads/2020/07/Research-Project-Report-July-2020-public-1.pdf>

GOOD PRACTICE

THE VOLUNTARY AND COMMUNITY SECTOR EMERGENCIES PARTNERSHIP

The Voluntary and Community Sector Emergencies Partnership⁸⁸ was formed in response to learnings from several 2017 national crises in the UK, including the Grenfell Tower fire tragedy. At the moment, the Partnership is responding to the evolving Covid-19 crisis. However, in the longer term, the goal is to establish a framework of response for future local or national emergencies. The partnership wants to add value for the most vulnerable communities and for the network of national and local voluntary and community sector organisations supporting them. The initiative focuses on four key areas: the creation of a national platform to dynamically gather intelligence on unmet and emerging needs; the request for support service, which enables organisations to ask the Emergencies Partnership for support, in case existing local networks are not sufficient; five multi-agency cells across England to help members of the Emergencies Partnership connect and share resources; and a national volunteer cell to maintain an overview of capacity across the sector and provide a single point of contact.

The NSG emphasises that a shift in understanding is needed over voluntary work: whilst it is given by people free of charge, it is not cost free to set up voluntary organisations, manage and evaluate them and ensure high standards of health and safety. Volunteering requires a robust infrastructure. If it is to continue to thrive and provide and coordinate volunteers and active citizens who can help respond to a crisis, it needs to be treated as a valued and properly resourced partner.

88 Voluntary and Community Sector Emergencies Partnership (2020) Our new support service <https://vcsep.org.uk/>

COMPARISON WITH THE COUNTRY SPECIFIC RECOMMENDATIONS

The European Commission's 2020 Country Specific Recommendations⁸⁹ for the UK are generally in line with what emerges from this Social Rights Monitor. However, the Commission has a stronger focus on the efforts that the UK needs to make to ensure an effective social protection system and a green and digital transition. Education and healthcare are identified as crucial sectors in the aftermath of the crisis, and an expansion of their capacity is recommended. As for other Country Specific Recommendations,

the Commission does not give space to some issues related to the European Pillar of Social Rights, such as gender equality. Moreover, the input on social protection is quite generic and, therefore, provides limited guidance. But the economic and financial recommendations are more specific and present a clearer direction. On a more positive note, cuts to the welfare state are clearly indicated as dangerous in this phase, and investments to support the most vulnerable groups are encouraged.

89 European Union (2020) Recommendation for a Council Recommendation on the 2020 National Reform Programme of the United Kingdom and delivering a Council opinion on the 2020 Convergence Programme of the United Kingdom <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020DC0528&from=EN>

DEDICATION

We want to thank all the people who have participated in the preparation of this document. Without you this would not have been possible. In particular, we acknowledge all our members and partners from the 17 National Strategy Groups that have contributed to the Social Rights Monitor 2020. Thank you very much for

bringing us closer to your reality and allowing us to know first-hand the state of social Europe in terms of equality of opportunities, fair working conditions, social protection, inclusion and civic space. We take this occasion to thank also the European Commission that, through its funding, made this publication possible.





FEPS
FOUNDATION FOR EUROPEAN
PROGRESSIVE STUDIES



SOLIDAR is a European Network of more than 50 Civil Society Organisations who gather several millions of citizens throughout Europe and worldwide. SOLIDAR voices the values of its member organisations to the EU and international institutions across the three main policy sectors: social affairs, international cooperation and lifelong learning.

For more info www.solidar.org

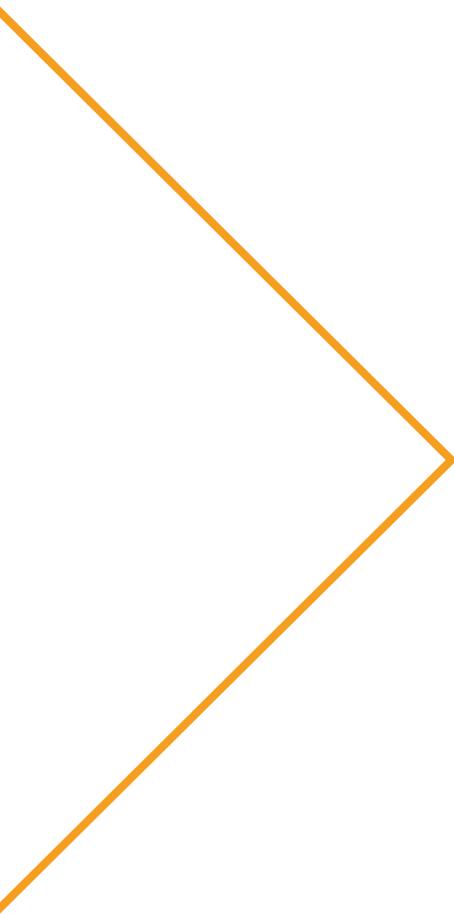
SOLIDAR

Avenue des Arts, 50
1000 Brussels - Belgium
+32 2 500 10 20
www.solidar.org
[@SOLIDAR_EU](https://twitter.com/SOLIDAR_EU)

The Foundation for European Progressive Studies (FEPS) is the think tank of the social democratic political family at EU level. Its mission is to develop innovative research, policy advice, training and debates to inspire and inform progressive politics and policies across Europe. FEPS operates as a hub for thinking to facilitate the emergence of progressive answers to the challenges that Europe faces today. Today FEPS benefits from a solid network of 68 member organisations. Among these, 43 are full members, 20 have observer status and 5 are ex-officio members. In addition to this network of organisations that are active in the promotion of progressive values, FEPS also has an extensive network of partners, including renowned universities, scholars, policymakers and activists.

FEPS

Avenue des Arts, 46
1000 Bruxelles - Belgium
+32 2 234 69 00
info@feeps-europe.eu
www.feeps-europe.eu
[@FEPS_Europe](https://twitter.com/FEPS_Europe)



SOLIDAR's Social Rights Monitor 2020 has been developed in the framework of the Together for Social Europe programme co-funded by the EU Programme for Employment and Social Innovation (EaSI). It provides an insight into the state of social rights in 17 European countries. The Monitor assesses the state of social Europe in terms of equality of opportunities, fair working conditions, social protection, inclusion and civic space based on the observations of Civil Society Organisations working on the ground in combination with statistical data and scientific findings. It does so on the basis of observations of National Strategy Groups set up in each of these countries by a SOLIDAR member or partner. The 2020 Monitor also analyses to what extent these aspects are reflected in the Country Specific Recommendations of the European Semester process towards a socially sustainable recovery after the Covid-19 crisis.

RESPONSIBLE EDITOR:

Mikael Leyi

AUTHORS:

Martina Corti, Miguel Hernández Littlewood, Julie Martinaud and Jedde Hollewijn with the support of SOLIDAR's members and partners and SOLIDAR's National Strategy Groups

COORDINATION OF THE PUBLICATION:

Carlos Roldán Mejías, Jedde Hollewijn, Julie Martinaud and Violeta Meotto

COPY EDITING:

Sebastian Moffett

GRAPHIC DESIGN:

Maximilian Fischer



This publication has been produced with the financial support of the European Union. The information contained in this publication does not necessarily reflect the position or opinion of the European Commission.

solidar



PAPER PUBLISHED IN PARTNERSHIP WITH:

FEPS
FOUNDATION FOR EUROPEAN
PROGRESSIVE STUDIES



© FEPS 2020
© SOLIDAR 2020