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From: Employment Committee and Social Protection Committee
To: Permanent Representatives Committee/Council

Subject: Assessment of the 2019 country-specific Recommendations (CSRs) and
the implementation of the 2018 CSRs
= Endorsement of the opinions of the Employment Committee (EMCO) and
the Social Protection Committee (SPC)

Delegations will find attached the above-mentioned opinions with a view to the Council (EPSCO)
meeting on 8 July 2019.

2019 Horizontal Opinion on the Semester

As mandated by the Council, the **Employment Committee (EMCO)** and **Social Protection Committee (SPC)** have examined the implementation of the labour market and social aspects of the 2018 Country-Specific Recommendations. EMCO and SPC have submitted to the Council in June 2019 a horizontal note with reflections on the 2019 CSR proposals from the European Commission; some key messages from the Committees' Multilateral Surveillance of Member States' employment and social policy reforms; and an assessment on the progress towards the Europe2020 targets. The present note complements the previous contribution with reflections on the European Semester governance aspects (section 1), the view of Social Partners and social NGOs (section 2) and thematic messages arising from the multilateral surveillance reviews (section 3) for both committees.¹

Section 1: The CSR process in the context of the European Semester

The European Semester is a valuable tool for coordination, promotion and monitoring of Member States reform efforts. It assesses and supports Member States' reforms, as well as the composition and quality of their broader policy mix. The 2019 CSR package, presented by the Commission on 5 June, is building on previous years and is recognized by the Committees as well-balanced with a strong social dimension. While this is welcomed by the Committees, some Member States called for a reflection on the scope of the Semester in terms of policy areas, emphasizing their view that in recent years the focus has been expanded significantly. The European Pillar of Social Rights features prominently and its principles are well reflected in the package, which is also welcomed. Some Member States called for stronger integration of the principles of the Pillar in the CSRs and a continuous assessment across the Pillar principles was identified as a valuable avenue for further work.

¹ Country specific conclusions will be submitted as annex.

This year saw an increase in the total number of CSRs, compared to the year before, notably reflecting the addition of investment-specific CSRs and the welcoming of Greece into the European Semester after successfully exiting the financial assistance programme. The social, employment and education dimension was strengthened further, which is positive. The committees reiterate that in a context of ageing, digitalization and climate change, the Semester process should maintain a holistic approach, integrating policies and reforms in all relevant areas, including economic, employment, education and training and social inclusiveness. The recently adopted Employment Guidelines provide in this context a political and legal underpinning.

This year's package also features a stronger alignment between investment and reforms, and the related stronger focus on investment in CSRs. The Committees take note that each Member State has received a CSR on investment and that the other CSR's can have investment dimensions, notably in the employment, social policy and education domains. The Committees note that the integration of the investment dimension allows for a better alignment between reform efforts and investment decisions, thus strengthening the Semester further. A number of Members called for further reflection on the link between the investment needs and the EU structural funds. Some also stressed the need for sufficient flexibility in the fiscal rules and policy areas eligible for financing investments from the EU structural funds.

The Committees stress that the way both EMCO and SPC work within the Semester has improved over the years and highlight the following aspects regarding the process itself and the drafting of the CSRs.

With regards to the **process**, the Committees note that the delayed submission of the 2019 CSRs was a cause of concern, especially as it implied that the European Council could not provide a political approval after a sufficient assessment of the package in the Council Committees.

The close cooperation between the EPSCO and ECOFIN Committees ensured that the process ran nevertheless smoothly, despite the delayed CSR submission. The Committees continued playing an active role in the preparation of the CSRs adoption by the two responsible Council formations - EPSCO and ECOFIN. The joint meeting of EPC, EMCO and SPC continues to be an effective way for the discussion of a number of CSRs of a cross-cutting nature. Providing adequate time for discussion promotes ownership, enables a deeper and genuine multilateral understanding and in the long term contributes to better reform implementation.

The high quality of the Commission documentation throughout the Semester process was acknowledged. The bilateral consultation of the Commission with Member States on the drafts of the reports is appreciated as a means to build a better understanding of the assessment, related challenges and policy efforts between Member States and the Commission. It also has the potential to contribute to stronger national ownership of CSRs, which is critical for the success of the Semester. While this is noted as a positive feature of the process, the Committees reiterate that an even stronger and timelier involvement is desirable as it plays a key role in strengthening the ownership and consequently, the success of the reforms.

The Committees also reiterate the need for a more effective way to resolve Member State comments on matters of fact ahead of the main Committee meetings. This, in parallel, with clear prioritization of the Member States own comments and the focus of those comments on the CSRs would serve to concentrate the discussions on issues of substance.

The committees also welcome the increase of Member States commenting on the CSRs and Recitals of other Member States, as it is a reflection of the common interest and spill overs within the European Union. These discussions contribute to further enhance the mutual understanding of common policy challenges and to deepen the exchange of good practice.

The process of interlinking the Committees' monitoring tools and making concrete use of those in the CSR negotiations has proved again effective. The findings of the Employment Performance Monitor and the Social Protection Performance Monitor proved a useful resource to underpin the discussions. The committees note that the Commission has drawn significantly on the multilateral surveillance work in preparing the CSRs and the evidence base for the CSRs negotiations. Surveillance conclusions, which were drawn upon during the discussions on the CSRs often provided a definitive resolution to a given point of discussion or debate. The surveillance work, which makes considerable resource demands on both Commission and Member States, has once again proven its worth at this point in the cycle. At the same time, for the future, the need for a reflection on how to further increase the efficiency of the preparatory work was mentioned.

There was a common acknowledgement that the genuine involvement of Social Partners, representatives of the Civil Society and other relevant stakeholders remains key for reform implementation and effectiveness.

With regards to the **drafting** of the CSRs, the Committees note that the high quality of the Commission text and the avoidance of redundant qualifiers (such as "continue", "proceed", "further"). Similarly, the committees maintained the general rule of not accepting proposed amendments which are not factual and which do not take into account the conclusions of the reviews during the Semester. The Committees stress that the CSRs should provide sufficient clarity on the referenced context, but . maintain that recitals should not function as substitute CSRs. A stronger reflection, in a consistent manner, of the Member States progress in the recitals is also desirable.

With a **future** looking perspective, the Committees note that the CSRs should also recognize better the political reality of a reform process. Reforms take time to define, debate and implement. They are often implemented in the context of multiannual cycles. Therefore, a reflection should take place on how to better integrate in the CSRs a medium term outlook, while preserving reform momentum and links with the national political cycles.

Section 2: Views of social partners and the civil society representatives

Involvement of social partners and consultation with civil society remain key for the successful implementation of policy reforms. The two Committees held exchanges of views with the Commission, the European social partners and social NGOs in the contexts of the Committee multilateral surveillance and the new CSR package, as a prelude to the discussion on the CSRs themselves.

Both the European social partners and the social NGOs welcomed the enhanced cooperation with the Committees and remained positive on their participation at EU level, but flagged concerns about their timely and meaningful involvement at national level and called for strengthened cooperation at all stages of the EU Semester. The social partners stressed the importance of their broader involvement including on topics beyond employment. The civil society representatives emphasized the need to recognize better their role in the Semester and to structure civil dialogue.

The representatives of the **employers**² broadly welcomed the package as well-balanced. CSRs have become more relevant to the current challenges of digitalisation, ageing and de-carbonisation. To ensure economic and social convergence, they argued for more emphasis on reducing labour costs and tackling the tax wedge on labour. Skills – and particularly the need to ensure the right level of digital skills in the workforce – was mentioned as a key concern. Skills gaps and skills mismatches continue to be seen as a top priority, especially for the SMEs, and the representatives would welcome more in-depth discussions on the topic with EMCO.

The employers' organizations also stressed the need for Member States to modernise their social benefit systems and make improvements in the targeting and cost effectiveness of social investment, as part of the broader efforts to strengthen public finances. In terms of investment, both private and public investment is needed. With a view to poverty reduction, public investment plays a key role in providing good quality services. Member States were also encouraged to share best practice and experience on how best to reduce the tax wedge on labour by developing employment-friendly ways to finance social protection.

² BusinessEurope, SMEunited (association of crafts and SMEs in Europe) and the European Centre of Employers and Enterprises (CEEP)

The representatives of the **trade unions**³ emphasised their view that economic growth is fragile and has not significantly improved the Social Dimension in Europe. Consequently, the rights-based approach of the European Pillar of Social rights should be reflected more strongly within the European Semester, in order to confront the challenges related to poverty, social exclusion, low wages and access to social protection. The recent improvements are coming on the back of the crisis years, characterized with limited investment levels, which are still to be recovered. The Semester should therefore have a new pattern for investment and fiscal stance. There should be some flexibility for Member States to activate public investment to create quality jobs. With a view to the CSRs focusing on stricter financing, ETUC is asking for more flexibility so that the Pillar can be implemented. There is fiscal space that would allow Member States to improve the social situation. The lack of implementation of the conclusions from the review on social dialogue conducted by the **Employment Committee** together with social partners was also mentioned as concern.

The representatives of the **civil society**⁴ welcomed the increased coverage of labour market, education and social policy issues, as well as the integration of the European Pillar of Social Rights in the 2019 CSR package. The recognition that investment and reforms need to go hand in hand was also acknowledged. The representatives highlighted that while employment and education topics are well covered in the recommendations, a stronger focus is needed on issues related to poverty and social exclusion (especially amongst children and disadvantaged groups), homelessness, affordable and sustainable health and long-term care services of good quality. It was emphasized that the ongoing favourable economic environment is an opportunity for achieving upward social convergence and the focus on reforms should remain strong. More needs to be done for those who are already in poverty and on implementation of reforms in particular with a view to disadvantaged groups. The tax and benefit system can support labour market participation and reduce inequality.

³ European Trade Union Confederation (ETUC)

⁴ Social Platform, Eurodiaconia, EAPN (in April) and Eurochild

Section 3: Horizontal messages from Multilateral Surveillance and Multilateral Implementation Reviews

Multilateral surveillance (MLS) which consists of peer reviewing in committees of the state of play of CSR implementation is one of the core tasks of both the Employment Committee (EMCO) and the Social Protection Committee (SPC), namely in the context of the European Semester process.

A. Messages from the Employment Committee Multilateral Surveillance

In the period from October 2018 to April 2019 EMCO conducted multilateral surveillance reviews and a Country Exam, examining CSR components related to the following policy topics: i. long-term unemployment, ii. social dialogue, iii. labour market segmentation and undeclared work, iv. labour market participation, v. active labour market policies and public employment services (PES), vi. education, skills, VET and adult learning and vii. wages, competitiveness and labour taxation.

As noted above EMCO's multilateral surveillance reviews are organised thematically. This allows horizontal conclusions to be drawn from each set of reviews, that are presented in this note.

The EMCO review of the implementation of the **Council Recommendation on the integration of the long-term unemployed into the labour market** took place in a context of an improved labour market situation, but the disparities across the EU persist.⁵ Also, whilst all Member States took steps to improve implementation of the Recommendation, the level of implementation varies. The capacity of Public Employment Services (PES) is an overarching challenge and some Member States also experience significant regional disparities in PES delivery. In a number of Member States, ensuring high registration of the long-term unemployed is closely linked to making benefits conditional upon registering with the PES. Some have put in place policies aimed at preventing de-registration but many still need to improve outreach efforts towards the inactive, and develop incentives for registering.

⁵ Key messages have been sent to EPSCO separately, cf Council document 14409/18

The Review confirmed that additional services such as social, health, training and support measures are important on the way to employment. Efforts have been made to increase coordination between the different service providers, yet coordination remains an overarching challenge. National approaches to setting up the single point of contact vary from full integration of services to more designation of authority that should act as one. Job integration agreements or equivalents are present in most Member States but there is need to do more, particularly when it comes to reviewing individual assessments regularly. A range of activities linked to employer engagement were presented including dedicated PES staff and wage subsidies combined with on-the-job coaching. However, a more strategic approach to partnerships among stakeholders is still lacking in some Member States. Overall, while there have been substantial improvements in the quality and completeness of data gathered with the support of Member States based on the EMCO Indicator Framework, additional efforts are needed to improve the data linked to sustainability of outcomes for the long-term unemployed.

The review on **social dialogue** looked at different dimensions of social partner involvement in reforms and policies and the European Semester. National and European social partners participated in the review. While a legal and institutional framework for social dialogue is in place in a great majority of Member States, the review noted that involvement of national social partners in the design and implementation of employment and social reforms and policies and the European Semester varies across the reviewed Member States. EMCO highlighted the importance of timely and meaningful involvement.

EMCO also noted challenges in relation to representativeness of social partners in some Member States and highlighted the need for effective support to enhance capacity of social partners.

In the review of CSRs on **labour market segmentation and undeclared work**, it was noted that the nature of segmentation and undeclared work is heterogeneous across the Member States of the EU, and statistics alone do not always give the overall picture of the state of play. Segmentation and undeclared work can be damaging for people's lives in many ways (for example, there is a link to health and safety at work considerations, and access to social protection) as well as for the wider economy. Member States have carried out a number of reforms in these areas in recent years, in order to promote permanent hiring and quality jobs, but time will be needed for reforms to show their full effects. Indeed, many of the current reforms aim to tackle the negative consequences currently experienced as a result of partial liberalisations of the labour market (i.e. allowing broader use of temporary contracts without changing the regulation for permanent contracts) decades earlier, for example by narrowing the gap between the regulation of permanent and temporary contracts (including the dimension of taxation and social contributions).

EMCO noted the difficulty of building consensus on the exact labour market reforms to be carried out in the current political climate. This underlines the important role that social partners may have to play, and the importance of effective social dialogue. As with many other issues, training and skills to enable people to make the most of labour market opportunities are extremely important (and it should be noted that one of the negative impacts of segmentation is to make employers reluctant to invest in skills). Attention should be given to the provision of adequate guidance and job advice available to job-seekers. This has the potential to improve the quality of job offers and reduce skills mismatches.

In general, it remains important to combine deterrence and prevention (for example, through awareness-raising activities and improving trust in institutions) in tackling undeclared work, and this requires concerted efforts and coordination across institutions such as inspectorates, social security institutions, PES, and tax authorities. In many cases cultural attitudes and behaviours need to change and this, by definition, takes concerted effort over a period of time. Furthermore, a deeper understanding of the role and function of new forms of work, including platform work, is necessary given the emergence and growing significance of such forms of employment across EU member states.

A number of steps have been taken to strengthen labour inspectorates, both in terms of the overall numbers of inspectors, and also in ensuring that they are using their resources in a smart and focused manner. Member States often take sectoral or regional approaches to tackle the areas most affected. Figures suggest that these measures are delivering tangible results.

EMCO's review of **labour market participation** considered two different dimensions: participation of individuals *per se* and the increase of working hours for individuals. A regional dimension to labour market participation was also noted in some cases. The availability, quality and affordability of childcare and care for older people can play a major role in the labour market participation of women. Many Member States are making efforts to improve care provision, and the ESF has been crucial in a number of countries (though this raises questions of longer-term sustainability). Flexible leave and working arrangements may also help.

At the same time, it can be worth looking at taxation schemes, which can have an influence on the participation of second earners in particular. Similarly, careful design of contribution systems can help people enter and stay in the labour market. There is a particular challenge here regarding the way the future of work may develop, and this should be kept under review. A number of Member States are taking steps to improve transparency and awareness of the gender pay gap, and it will be interesting to see if these bear fruit.

For older workers, efforts to improve participation look at limiting access to early retirement, and ensuring access to labour-market relevant training. A multidimensional approach which integrates social and employment services is needed when it comes to disadvantaged groups facing multiple barriers to labour market participation. Anonymous recruiting is a tool which may help tackle entrenched discrimination in the labour market. Whilst it is common to argue that many issues relating to labour market participation are in some way "cultural", recent successful initiatives show that it is possible to achieve positive results, even if these take time.

In the review on **Active Labour Market Policies (ALMP) and Public Employment Services (PES)** it was noted that, whilst labour market situations are improving across the EU, Member States increasingly face skills shortages, and some groups are not benefitting from the improvement. The planning and implementation of ALMPs needs to occur within the wider context by complementing and building upon education and training measures, and social policy and services. Targeted training measures, and well-developed ways of identifying the needs of the labour market are important in tackling these issues (social partners may play an important role here). There needs to be a way of measuring the quality and performance of training institutions and providing clear information on this to all stakeholders.

The link between activation and benefits is important for public acceptance of policies, and the way in which job search criteria are defined needs to ensure that the aim of this link is met. In order to expand employment opportunities and improve job readiness, ALMPs need to be complemented with adequate job advisory and guidance. In general, ALMPs should be subject to ongoing monitoring, evaluation, and review, to ensure their effectiveness. Regarding PES, many reforms have been introduced to enhance PES capacity and outreach, though a number of these have been subject to significant delays. Monitoring the implementation of these reforms will be crucial in determining whether or not these reforms achieve their stated objectives.

In the review on **education, skills, VET and adult learning**, many of the CSRs examined concerned comprehensive education reform. Digital skills were given prominence, often within a broader government strategy. There was also emphasis on the need to improve STEM enrolment. When considering moves to improve the attractiveness of the teaching profession, pay is only one (albeit important) part of the picture. Attention needs to be given to mobility, training, and the reduction of administrative burdens.

With regard to the inclusivity of educational systems, Member States are taking different approaches. Some are focusing on language learning, others on early childhood education and care, and others on ensuring quality across all levels. Given the similar challenges that a number of Member States face it will be important to track which approaches seem to deliver the best outcomes. Early school leaving is a problem in a number of countries. The capacity and effectiveness of early warning systems are important, but it is also essential to identify the interventions that should follow such a warning. The best way to involve families in these interventions can also be a challenging issue. Inclusivity can also depend heavily on the skills of teachers and their ability to work with minorities and those from disadvantaged backgrounds.

When it comes to VET, there have been significant reform efforts in many Member States to improve the relevance of VET. EU funding has often been used for this, which is obviously not a problem *per se*, but does raise the question of ensuring the sustainability of projects). However, more needs to be done to improve the attractiveness of VET and apprenticeships, as take-up is often low. Apprenticeship opportunities in SMEs should be expanded. Social partner involvement is often key to successful VET reforms. A number of innovative approaches are being tried to improve the provision and take-up of adult education, such as individual training accounts. In addition to national strategies, local projects often play an important role in addressing specific geographical gaps in coverage.

The review on **wages, competitiveness and labour taxation** noted that underlying wage growth continues to be slower than expected on the basis of the historical relationship between wage growth and unemployment. The main drivers of low wage growth appear the low inflation and the low productivity growth. But other factors may also have played a role, including intra-EU mobility and the growth of part-time work. One interesting emerging issue in a few Member States is the phenomenon of demands for more non-financial benefits to be included in collective bargaining, and correspondingly less demand for a wages increase. All of these areas could benefit from further analysis.

Policy measures to address low wage growth include minimum wage policies, stronger collective bargaining framework, taxation and public wages. Indirect measures that may influence wage growth cover policies that, in the spirit of the social pillar, extend workers' rights and voice in collective bargaining (e.g. access to social security, portability of rights, geographical and occupational mobility of workers) or policies that reduce labour market duality. Whilst the role of Member States is often only to ensure a legal framework within which collective bargaining takes place, it might be interesting to consider possible additional measures that would encourage social partners to increase their capacity, the coverage of collective agreements or to conclude more collective agreements for those sectors or workers not currently covered. Active Labour Market Policy measures (ALMPs) continue to yield potential in making labour markets more adaptable, to increase employability, improve job mobility and expand employment opportunities for jobseekers and people outside the labour force. Where wages are increasing, the question of purchasing power often needs to be taken into account as this may still be decreasing (e.g. due to housing costs). Some Member States are considering other measures which have an impact on wages, for example through measures that indirectly raise productivity and growth by stimulating research and development and by investing in human capital (education, skills and lifelong learning).

B. Messages from the Social Protection Committee Multilateral Implementation Reviews

In March 2019, the SPC reviewed the implementation of 38 recommendations in the areas under its competence: i. social protection and social inclusion; ii. pensions; iii. healthcare; and iv. long-term care. Issues related to the area of healthcare were examined jointly with representatives from the Council Working Party on Public Health at Senior Level. The reviews have been organized thematically, which allowed for horizontal conclusions to be drawn under each thematic area.

Reforms in the area of social inclusion and social protection

The continued expansion of the European economy over the past years has resulted in improved labour market conditions and increased household incomes. This has led to the decrease in the number of people living at risk of poverty or social exclusion to below pre-crisis levels⁶. However, despite these positive developments, the inclusiveness of the recovery remains a concern, with persisting high inequalities and persons in vulnerable situations risking being left behind. Well-designed social protection systems, which invest in people's active participation in the society and economy and which ensure protection against risks throughout the life-course, remain essential in addressing those challenges.

As part of its 2019 multilateral implementation reviews, the SPC reviewed the progress made with regard to eleven recommendations in the areas of social protection and social inclusion. In line with previous years, most CSRs in that thematic area continue to have a strong focus on active inclusion, in particular on improving the coverage and adequacy of social benefits and on reducing regional disparities and fragmentation of income support schemes. Further recommendations issued to the Member States called for addressing gaps in social protection for people working on non-standard contracts; for improving the design of tax-benefit systems and the composition of social spending; as well as for the provision of high quality services (childcare and housing).

The SPC multilateral reviews showed that Member States continue making efforts to address the issues identified, but reform implementation seems to have slowed down. In particular, the Committee assessed that over the past year progress has been limited in close to two thirds of the reviewed Member States. In comparison, the conclusions from the year before showed limited progress for about one third of the reviewed CSRs, with the rest demonstrating some or substantial progress. For some Member States, the reform implementation has been delayed due to necessity to reach medium-term budgetary objective and fulfil requirements to comply with the provisions of the Stability and growth pact.

⁶ 22.4% of the EU population in 2017

In light of this performance and the uncertainties surrounding the future economic outlook, the SPC underlines that there is an urgent need for the Member States to renew and accelerate their reform efforts. Social inclusion, investment, and protection, in line with the relevant principles set out in the European Pillar of Social Rights and inspired by the Active Inclusion approach, should remain guiding objectives for the Member States' reforms.

Reforms in the area of pensions

Pensions, given their budgetary weight and high social importance have been one of the most important elements of the Member States' reform agendas since the very beginning of the European Semester. Over the past decade, pension reforms have focused on the adaptation of the pension systems to changing demographics and on ensuring financial sustainability of the pensions system. More recently, adequacy issues started gaining prominence, but the focus on sustainability-related pension reforms remained strong in the 2018 CSRs.

The SPC reviewed the implementation of thirteen recommendations in the area of pensions, most of which covered multiple aspects of pension systems. Nine recommendations highlighted the sustainability of pensions; and five their adequacy or fairness. Three Member States were encouraged to unify the rules for different population groups; further recommendations emphasised longer working lives or supplementary pension provision.

The multilateral reviews of the 2018 CSRs' implementation showed that a number of countries have already introduced and continue to implement measures to address the sustainability challenges of their pension systems. These measures include higher pensionable ages, tighter eligibility conditions and limits to early retirement opportunities. Some Member States have taken steps to revisit the pension calculation mechanisms or to extend the incentive to defer retirement. Other countries reported on measures to improve the adequacy of pensions, which include increases in the minimum pensions, extraordinary payments to the low-end pensions, as well as indexation. A few Member States have started important pension reforms, which are expected to yield results in the coming years.

The SPC assessment showed that around half of the reviewed Member States have achieved some or substantial progress, while in last year's assessment, this was the case only for a third of the Member States. Yet, this year two Member States have registered no progress in addressing the requirements of their recommendations.

In view of this assessment, the SPC holds the opinion that in order to address the mounting demographic pressures in our ageing societies, more efforts are required in some Member States, while those Member States who have already adopted reforms need to implement them rigorously and avoid backsliding. Adequacy concerns should feature more prominently in Member States reform agendas. As life expectancy improves, longer working lives will be essential to enable men and women to acquire adequate pensions. Measures conducive to longer professional activity, later withdrawal from the labour market, as well as equal conditions in accruing pension rights should feature in the Member State reform agendas.

Reforms in the area of Healthcare

Universal and sustainable health care systems with guaranteed access to timely, high quality and affordable healthcare are a key element of the European Social model. And while health systems vary across the EU, many of the challenges are shared. Population ageing, increasing costs of innovative technologies and medicines, shortages or uneven distribution of health professionals are among the factors that put pressure on the Member States' health systems.

In the 2018 Semester, twelve Member States received CSRs in the area of Healthcare. In total, seven Member States received recommendations to improve the fiscal sustainability and cost-effectiveness of their systems. Two of those Member States also shared an accessibility challenges with the remainder of the reviewed countries.

The multilateral reviews, held together with representatives from the Council Working Party on Public Health at Senior Level (WPPHSL), have shown that all reviewed Member States are reforming their health systems to address the identified challenges, even if in a varying degree of intensity. The reform efforts range from comprehensive reform packages (which require long-term approaches for adoption and implementation and may therefore be subject to delays) to short-term measures (which, however, do not always tackle the root problems). Reforms include steps to strengthen the delivery of primary and integrated care and shift some services away from the inpatient hospital sector; improved and integrated care pathways for patients with chronic diseases, stepped-up screening and prevention programmes, incentives for patients, physicians and pharmacists to limit pharmaceutical spending, measures to improve access for the most vulnerable e.g. to certain medicines and treatments; efforts to promote healthier life-styles (including among the younger population), as well as measures to address the staff shortages, low salaries and the uneven territorial distribution of healthcare personnel in some Member States.

Despite the Member States efforts, progress in reforming the healthcare systems since June 2018 seems to have slowed down. The SPC assessment this year indicated that around half of the reviewed countries have achieved some or substantial progress in addressing the identified challenges, while progress has remained limited in the other half. In contrast, the large majority of the reviewed Member States last year have achieved some or substantial progress. The Committee stresses the need to continue, accelerate and deepen the reforms initiated, particularly in improving the effectiveness and efficiency of the health systems. Adequate preventive measures are required to enhance sustainability without compromising quality and access to services. More efforts on the integration of different healthcare services and a better coordination between health and social services are also needed.

Reforms in the area of Long-term care

Three Member States received CSRs on long-term care issues in 2018, with an overall focus on improving the cost effectiveness, but also on addressing the fragmentation and governance of the services. The reported measures include testing new solutions for the integrated delivery of long-term care in home environment, for streamlining care for people with chronic diseases, as well as putting in place unified mechanisms for accessing patients' care needs.

Concerns regarding the provision of formal long-term care services to meet growing needs in light of ageing population across Europe remain valid. In view of the pressure on the sustainability and functioning of the long-term care systems, the SPC recognizes the need for an increasingly proactive policy approach, seeking simultaneously to reinforce prevention and foster an efficient, cost-effective care provision, without compromising its quality, accessibility and conditions for independent living.
