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NOTE DE TRANSMISSION

Origine:	Comité de l'emploi et Comité de la protection sociale
Destinataire:	Comité des représentants permanents/Conseil
Objet:	Résultat de l'évaluation conjointe des recommandations par pays pour 2022 du Comité de l'emploi et du Comité de la protection sociale

Les délégations trouveront ci-joint le document relatif au résultat de l'évaluation des recommandations par pays pour 2022 du Comité de l'emploi et du Comité de la protection sociale, en tant qu'addendum de l'avis conjoint du Comité de l'emploi et du Comité de la protection sociale sur les recommandations par pays 2022.

Horizontal Opinion of the Employment Committee and the Social Protection Committee on the 2022 Cycle of the European Semester

Annex 3 – Outcome of the 2022 Country-specific Joint EMCO-SPC reviews

1. Review on Labour Market Participation of Women through Access to Early Childhood Education and Care and Long-Term Care – 6 May 2022

<u>Country-specific conclusions</u>

WORKSHOP 1

<u>POLAND</u>

Labour market in Poland continues to show positive developments, including for women. Yet, the gender employment gap is still above the European average especially in the group over 55 years of age and the impact of parenthood on women’s employment is sizeable. Only 11.2% of children under the age of 3 are in formal childcare (however, in Poland the length of paid parental leave is 52 weeks and therefore the percentage of children aged below 1 year in care institutions is very low) while care responsibilities - including for people in need of long-term care and for children - remain one of the main reasons for women’s inactivity.

In 2021, Poland has launched some measures to increase the participation of women in the labour market, yet they are still at an early stage. The main part of the policy response is only planned for the next years with the use of EU funding from the RRF and ESF+. In particular, in order to increase women’s participation to the labour market, the planned revision of the Labour Code and the enhancement of the PES should be swiftly adopted. Though welcome, such reforms could represent a positive but still insufficient progress if not combined with more incisive initiatives to enhance and expand the provision of childcare and long-term care services. A stable financing system for childcare facilities is still lacking and Poland needs to further develop its formal long-term care system.

<u>ITALY</u>

Despite labour market’s positive developments, the employment rate of women in Italy is well below the EU average and the gender employment gap remains one of the highest in the EU. EMCO acknowledges the commitment Italy is making in supporting women’s participation to the labour market, including via the 2021-2026 National Strategy for Gender Equality, which however needs a full implementation also through adequate and coordinated governance and funding allocation. Measures planned in the Italian RRP to increase childcare provisions goes in the right direction although, on overall, investments that specifically target women’s participation to the labour market appear to be limited. The impact of the different measures introduced in the Budget Law for 2022 and of those under development will need to be monitored and assessed in terms of women’s employment.

The situation of young people remains a concern, with a very high number of NEETs in the age group 15 to 34 years and one of the highest rates of early school leaving in the EU. Italy took some measures in the context of the 2022 Budget Law to increase the delivery of ALMPs for young people and is planning to introduce a comprehensive revision of ALMPs in the context of the RRP, aimed at better targeting young people and vulnerable groups. Despite some steps forward, the effective integration of active labour market and social policies remains an issue.

CZECHIA

Czechia made important steps to improve labour market participation of women in recent years, in particular those with young children. A sizeable amount of EU funding has been allocated toward increasing the availability of ECEC facilities, which should increase opportunities for mothers to return to work earlier in the child's life. The Children's Group Act should moreover ensure continuity in financing from the national budget after the end of 2014-2020 programming period.

Measures have been also introduced to make parental leave more flexible, though their design could be further improved to provide better incentives for women to take up or return to employment. Recommendations concerning the gender pay gap mitigation are yet to be translated into an action plan outlining concrete policy and legislative actions. Measures have been also introduced to increase the availability of flexible working arrangements, yet their take-up remains low. Additional measures, for instance in the area of taxation, are expected to provide more long-term solutions.

AUSTRIA

Labour market developments in Austria are very encouraging, also thanks to a robust recovery. The employment rate of women stands well-above the EU average, but almost half of employed women work on a part-time basis.

Austria is aware of the need to encourage women to work longer, especially after maternity as they tend to reduce working hours for care responsibilities. To this end, policies to address gender stereotypes in education and in the labour market have been introduced as well as measures to promote equal opportunities and foster work-life balance in the workplaces. The Government continues the cooperation with Regions to expand the availability of childcare facilities. EMCO welcomes the increased investment in such area, which also benefitted from RRF resources.

Overall, progress has been made but Austria should step up efforts in increasing the provision of full-day quality and affordable ECEC services, including by addressing regional disparities.

2. Review on Access to Social Protection, Income Support and Access to Services – 6 May 2022

Country-specific conclusions[1]

WORKSHOP 1

CYPRUS

Cyprus has taken a number of measures to address the requirements of the 2020 Country Specific Recommendation to provide adequate income replacement and access to social protection for all.

In 2020 and 2021, a series of temporary measures have been taken to mitigate the adverse effects of the pandemic on the labour market and provide income replacement in the form of wage subsidies and unemployment benefits also for groups not previously covered. Data provided indicated that these measures have largely been successful. Some specific schemes in the tourism sector have been prolonged after October 2021. In addition, new draft legislation and a hiring incentive scheme for telework are being prepared, with the aim of introducing the necessary protection for employers and employees and the promotion of more flexible employment opportunities through subsidies.

Cyprus is also taking measures to enhance the availability and affordability of childcare, through the planned establishment of multifunctional centres for children, as well as the planned introduction (as of September 2022) of a childcare subsidization scheme for children, aged 0-4 years old. These measures are aimed at facilitating access to affordable quality care and social development services for all children, as well as at increasing women's labour market participation.

Finally, Cyprus reports on an upcoming reform of its Social Insurance System, with the aim to ensure social protection for all, regardless of the type and duration of employment. Currently, the reform is in a planning stage, with actuarial studies being carried out, in parallel with the first round of social dialogue to define the required changes.

The reported measures will contribute to addressing the challenges behind the 2020 country specific recommendation. As the reported measures are in their initial phase, their effects would need to be properly evaluated in the coming period.

[1] In accordance with the operational arrangements agreed for the 2022 MLS/MIRs exercise, given the focus on 2019 and 2020 CSRs Member States were given the option to opt out from each review. Hungary, Latvia, Portugal and Slovakia opted out from this specific review.

CROATIA

In an effort to address the underlying challenges with the coverage and adequacy of its unemployment benefits and minimum income schemes, Croatia reports on the launch of a systematic analysis of the adequacy of unemployment benefits. The analysis will be used to inform the planned amendment of the Labour market act, work on which is expected to start in 2023.

After a review of the existing welfare system, the government also adopted a new Social Welfare Act, aimed at improving the efficiency, transparency, targeting and sustainability of the social welfare system. The reform is planned to be fully implemented by 2024. In addition, the authorities plan to increase the adequacy of social benefits and improve the coverage for the most vulnerable groups by consolidating benefits, harmonizing the rights of beneficiaries, introducing indexation and shortening administrative procedures. In a first stage a new data infrastructure is being developed, by connecting existing databases on the basis of a single methodology. At this stage, it is not yet clear what the impact of the proposed measures would be.

The Croatian authorities have confirmed their commitment to address the requirements of the Country Specific Recommendation and to improve the adequacy of unemployment benefits and minimum income schemes. Given the scale of the challenge, as well as the fact that the reported measures are yet to be fully implemented, further efforts are required in the coming period.

ESTONIA

In an effort to address the requirements of the CSR, Estonia reports on its actions aimed at changing the principles of its unemployment insurance system. The authorities intend to develop and implement a countercyclical unemployment insurance benefit system from 30 June 2023. The intention behind the change is to increase the flexibility of the unemployment benefit system and provide the unemployed with greater social protection in a more difficult labour market situation.

To address the high poverty rate of pensioners Estonia reports implementing an extraordinary rise of pensions in April 2022, with an additional increase in the average pension. An income tax exemption from 1 January 2023 has also been agreed.

In an effort to address the challenges in long-term care provision, a coordination model for the provision and development of integrated person-centred services across the country is being developed. It is currently being piloted and should be fully implemented from 2025.

In addition, changes regarding long-term care in the Social Welfare Act and Family Law Act will enter into force in the second quarter of 2022. The changes are expected to provide greater support for people with a care burden and will include: defining long term care, introducing a preference for home care, an obligation for local government to assess the care burden, limiting the obligation of relatives to provide maintenance, expanding the scope of those who are entitled to carer leave, and amending Social Tax Law for caregivers.

While it would be premature at this point in time to assess the impact of the measures that are being developed and implemented, the Estonian approach to tackling the requirements of the CSR is likely to have a positive impact towards the development of an efficient and effective person-centred long-term care system.

ITALY

Italy's overall policy response over the course of the pandemic was successful in providing adequate income replacement and access to social protection, notably to the most vulnerable categories. Among others, the Reddito di Emergenza introduced in May 2020 complemented the existing minimum income scheme (Reddito di Cittadinanza), which is nonetheless still characterised by low reach-out to and effectiveness for vulnerable groups, particularly non-Italian citizens and large households. On the other hand, the universal family allowance introduced at the end of 2021 could contribute to provide adequate income support to low-income large households. However, the measures adopted were intended to provide support in a short-term perspective, while no new measures have been introduced on a structural basis explicitly targeting atypical workers.

SPAIN

Spain's response to the challenges, highlighted in the 2020 Country Specific Recommendation is consistent with some of the actions already reported in the previous Semester cycle.

The extraordinary measures introduced to mitigate the impact of the COVID-19 pandemic have been continued and reinforced. In 2022, the short-time working schemes (ERTE), introduced in response to the pandemic were phased out and replaced by the new regime (RED - Employment Flexibility and Stabilisation Mechanism), foreseen in the labour market reform, contained in the Spanish National Reform and Resilience plan. Companies can request measures for the reduction of working hours and the suspension of employment contracts under two modalities – cyclical and sectoral.

In addition, the extraordinary unemployment benefit for the self-employed, as well as the duration of unemployment benefits for artists in public performances and personnel in the cultural sector has been extended until June 2022 (Royal Decree 2/2022, 22 February). As regards unemployment protection coverage for a number of population groups challenges still remain.

Spain also reports the on-going execution of Pilot projects for improved coordination between social and employment services in the framework of the Social Inclusion Network. These projects are aimed at increasing the employability of the most vulnerable people. They should be supported through better evaluation and design of individualised itineraries. These efforts represent positive steps towards addressing the elements from the 2019 CSR and should be further pursued.

SLOVENIA

In 2020 and 2021, the Slovenian authorities have adopted a range of important measures aimed at mitigating the negative economic and social consequences of the COVID-19 crisis. The measures include temporary job preservation schemes and measures to increase the social protection, such as one time crisis allowance for certain categories of workers or income support for the self-employed. Moreover, a one-off solidarity allowance was provided to the most vulnerable categories - beneficiaries of cash social assistance or childcare allowance, retirees with the lowest pensions, students and children. A temporary unemployment benefit and solidarity allowance was introduced for certain groups of workers who were not eligible for a regular unemployment benefit.

Complementing the crisis-related measures, Slovenia reports on the on-going implementation of its Social Activation model. This involves developing programmes for the social activation of people far from the labour market, developing a network of coordinators and the supporting IT system. Until November 2020, already 300 social activation programmes of different lengths were carried out, targeting the long-term unemployed and long-term social benefit recipients. Social activation measures were implemented in close cooperation between the Social Work Centres and Public Employment Services.

In addition, Slovenia reports on the recently adopted Resolution on the National Social Protection Programme 2022-2030, which will guide the development of the Slovenian Social Protection system, including the development of social services and programmes. Two national implementation plans will be prepared, the first for the period 2022-2025 and the second for the period 2026-2030.

The measures reported by Slovenia have helped mitigate the negative effects of the health crisis measures and could help address the longer-term social protection challenges the country is facing. At the same time, further measures may be required to strengthen social protection for self-employed persons and for those in non-standard forms of work. The implementation of the Resolution on the National Social Protection Programme will need to be further monitored.