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COVER NOTE

From: Employment Committee and Social Protection Committee
To: Permanent Representatives Committee (Part 1)

Subject: Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

Delegations will find attached the EMCO and SPC thematic review conclusions 2019-2020 and Country examination, as an addendum to the Horizontal Opinion on the 2020 CSRs

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

Contents:	
BELGIUM.....	2
BULGARIA.....	4
CZECH REPUBLIC.....	9
DENMARK.....	13
GERMANY.....	14
ESTONIA.....	18
IRELAND.....	20
GREECE.....	24
SPAIN.....	28
FRANCE.....	32
CROATIA.....	34
ITALY.....	38
CYPRUS.....	42
LATVIA.....	45
LITHUANIA.....	48
LUXEMBOURG.....	51
HUNGARY.....	53
MALTA.....	56
NETHERLANDS.....	59
AUSTRIA.....	63
POLAND.....	66
PORTUGAL.....	69
ROMANIA.....	73
SLOVENIA.....	78
SLOVAKIA.....	80
FINLAND.....	84
SWEDEN.....	87

BELGIUM

CSR (part) 2019	Thematic Area	Date and Committee Format	Conclusions
<p>Remove disincentives to work and strengthen the effectiveness of active labour market policies, in particular for the low-skilled, older workers and people with a migrant background.</p>	<p>ALMPs and PES reforms</p>	<p>21 January</p>	<p>The labour market situation is improving and there is strong labour demand. However, the employment rate in Belgium remains below the EU average, suggesting there are skills mismatches. There are regional differences and labour market outcomes are less favourable for a number of vulnerable groups including the low-skilled, people with a migrant background, older workers and people with disabilities.</p> <p>Low employment rates are among others linked to financial disincentives to work. There have been improvements in participation in adult learning that need to be continued as participation in adult learning remains below EU levels.</p> <p>As government negotiations at federal level are ongoing, the adoption of some measures that had been announced in the 2018 Jobs Deal has been delayed. Moreover, it is unlikely that the caretaker government will announce new structural measures or initiatives to address the CSR.</p> <p>However, some specific measures have been taken or are planned at regional level. Wallonia focused on the recognition of learning outcomes and individualized support to job seekers. Flanders focused on improved statistical profiling, outreach and on developing individual learning accounts. For this, inspiration from other countries might be useful and thus the mutual learning programme might be explored for that. Brussels has created a single point of contact for workers with disabilities and for employers wishing to hire them. In order to monitor the effectiveness of active labour market policies, some evaluations are being prepared as well as a pilot project approach is tried. However, a need for evaluations remains, to improve evidence-based policymaking and to better target support to vulnerable groups.</p> <p>A more comprehensive and coordinated approach would support the efforts to tackle the challenges.</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

<p>Improve the performance and inclusiveness of the education and training systems and to address skills mismatches.</p>	<p>Education, skills, VET and adult learning</p>	<p>10 March (with EDUC)</p>	<p>Belgium continues work on a wide range to implement fundamental reform of its education system.</p> <p>In the French Community, the first reforms of the Pact for Excellence in Education are being rolled out, including the reform of the common curriculum and a new regulatory framework for the management of schools and the school system. In the Flemish Community, measures to reform education and training have been implemented at all levels of education from September 2019. Announced measures include measures to improve quality of teaching, strengthening Dutch language knowledge, the introduction of standardized and validated tests, intended to increase learning gains and reallocating the existing funding for socio-economic disadvantaged students.</p> <p>The recognition of skills is high on the policy agenda. The French: Speaking part of Belgium has implemented new measures to support upskilling pathways, including an online tool for skills' identification, created partnerships with key operators to support the mutual recognition of learning outcomes, and opened up access to the first certifying pathways. In the Flemish community, measures include the development of validation standards and validations instruments as part of the implementation of the integrated policy on validation of non-formal and informal learning to implement the Upskilling Pathways Council Recommendation. The universally rolling out of dual learning should help raise skills levels and employability. To raise adult learning, the Flemish government intends to introduce an individual learning account and to establish a platform for lifelong learning in cooperation with the social partners.</p> <p>Concerning digital needs, some have been addressed by regional initiatives, with new training possibilities included. Parts of the Digital Strategy for Education of the French Community still need to be decided and fully rolled out.</p> <p>In taking note of progress made in the implementation of the various</p>
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Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

				reforms, it seems that the extent of advancement of different initiatives vary. Belgium is encouraged to monitor progress and continue its efforts.
CSR 1: Continue reforms to ensure the fiscal sustainability of the long-term care and pension systems, including by limiting early exit possibilities from the labour market	Long-term care	April, SPC		The 2019 Council recommendation is a follow-up recommendation and the SPC takes note that Belgium is not reporting on any new measures. The SPC also takes note that the proposed assessment in the 2020 Semester Commission Country Report qualifies the CSR implementation as limited progress
CSR 1: Continue reforms to ensure the fiscal sustainability of the long-term care and pension systems, including by limiting early exit possibilities from the labour market	Pensions	April, SPC		The 2019 Council recommendation is a follow-up recommendation and the SPC takes note that Belgium is not reporting on any new measures. The SPC also takes note that the proposed assessment in the 2020 Semester Commission Country Report qualifies the CSR implementation as limited progress .
BULGARIA				
CSR (part) 2019	Topic thematic review	Date	Conclusions	
Recital 19: There is scope for greater consensus about an objective and transparent wage-setting mechanism. Meanwhile, although the involvement of the social partners in the design and implementation of policies and reforms seems to have increased, continuous support for a reinforced social dialogue	Social dialogue	19 November		The institutional framework for social dialogue is well established in Bulgaria and is positively assessed by all stakeholders. The participation of the social partners in the decision-making process seems to have improved in recent years and EMCO takes note of the efforts made by the Bulgarian government to facilitate social dialogue, as well as the participation of social partners in the Monitoring Committees of the ESF operational programmes

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

<p>remains necessary.</p> <p>Strengthen employability by reinforcing skills, including digital skills. Improve the quality, labour market relevance, and inclusiveness of education and training, in particular for Roma and other disadvantaged groups.</p>			<p>in areas relevant to their national competence.</p> <p>At the same time, discussions over the setting of the minimum wage seem to have temporarily stalled and EMCO is of the opinion that further efforts are needed from all relevant stakeholders in order to unblock the current stalemate. Social dialogue at sectoral level needs to be strengthened. There is also scope for improvement in the social partner influence in the European Semester process. In this regard, more meaningful and timely involvement of social partners should be ensured, including through support to capacity building, if relevant.</p>
	<p>Education, skills, VET and adult learning</p>	<p>10 March (with EDUC)</p>	<p>The modernisation of the education and training system continues but further attention is needed on tackling its quality, labour market relevance and inclusiveness. Given the demographic trends and rising skill shortages, further investments are encouraged in the skills of its current and future workforce. Socioeconomic disadvantage is still an influential determinant of poor skills and low educational outcomes in a context of present skills mismatches and shortages. Participation in early childhood education and care remains low, hampering the early acquisition of skills. There are disparities in childcare facilities between regions, affecting mainly the enrolment of children from disadvantaged backgrounds and Roma in early childhood education and care.</p> <p>In spite of ongoing efforts, early school leaving remains a concern, given the increasing need for higher-skilled workers and the decline of the working-age population. Roma children are less likely to attend kindergarten and much more likely to drop out of school.</p> <p>Although a series of measures are being rolled out to improve quality and equity, there are still gaps in the acquisition of basic and digital skills. The need to upskill and reskill the adult population is high while participation in adult learning is low. The status of the teaching profession is low and the teacher workforce is ageing. Salaries are being increased as a means to boost the attractiveness of the profession. Steps have been taken to</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

			<p>increase the labour market relevance of vocational education and training.</p> <p>Note is taken of the measures Bulgaria has taken to increase the employability of disadvantaged groups and reduce regional disparities in employment rates among the working age population, but further efforts are expected to address the CSR.</p>
<p>Address social inclusion through improved access to integrated employment and social services and more effective minimum income support.</p>	<p>Social Protection and Social inclusion; Integrated provision of PES and Social Services</p>	<p>May, EMCO- SPC</p>	<p>Despite the notable improvements in the employment situation in Bulgaria in recent years, labour shortages, accompanied by high levels of inactivity amongst certain population groups persist. The at-risk-of-poverty or social exclusion rate, while on a downward trend, remains high and the impact of transfers in reducing poverty is below the European average. Income inequality, one of the highest in Europe, has only recently started to decrease.</p> <p>In that context, Bulgaria reports on several measures to address the Council recommendation. In recent years, a network of 76 Employment and Social Assistance Centres has been established to support social inclusion of vulnerable groups. Since 2019, new services, targeting the unemployed and the inactive were added. In addition, Bulgaria plans to improve the provision of social services with the adoption of a new law, but its entry into force is delayed to the second half of 2020. Bulgaria has also introduced regulatory changes to improve the adequacy and coverage of the heating allowance as part of the minimum income support. A new mechanism to calculate the poverty line was also implemented with impact on the provision of certain social protection measures and the level of some benefits.</p> <p>EMCO and SPC welcome the continued efforts of the Bulgarian government to address the CSR. The measures to improve the provision of integrated employment and social services are important, but more efforts based on an active inclusion approach will be required to increase the labour market integration of vulnerable groups. The potential of the new social services law</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

<p>CSR 4: Improve access to health services, including by reducing out-of-pocket payments and addressing shortages of health professionals.</p>	<p>Healthcare</p>	<p>April, SPC</p>	<p>to improve the quality of social services and support social inclusion is also acknowledged, but since the law has not yet entered into force, its impact remains uncertain and will require close monitoring. Measures to increase minimum income support are also welcome, however given the magnitude and scale of the challenges related to poverty and social exclusion, Bulgaria is encouraged to continue with its efforts to improve the effectiveness of its minimum income support schemes.</p> <p>In light of that assessment, the two Committees conclude that Bulgaria has achieved some progress with regards to effectiveness of minimum income, and limited progress with regards to improving access to integrated employment and social services.</p>
<p>Bulgaria's response to the CSR includes a number of the measures, which build on legislative changes adopted in previous periods and which are in line with the objectives set out in the Bulgarian National Health Strategy 2020.</p> <p>In an effort to improve access to health services, and reduce out-of-pocket spending, the budget of the National Health Insurance Fund and the Ministry of Health's budget for services outside of the scope of the compulsory health insurance have been increased. Consecutively, to ensure effective spending, efforts have been made to strengthen the spending control mechanisms. This has allowed an expansion of the clinical pathways and services covered. The execution of several ESIF-funded projects is also ongoing. These projects are targeted at the modernization of emergency care, development of integrated health and social services for care needs of adults and children with disabilities, as well as the completion of a national health information system, to support the rollout of eHealthcare in Bulgaria.</p>			

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

		<p>The latter project has one year delay, according to information shared by Bulgaria in self-assessment report. A process for updating all medical standards in individual medical specializations has also been initiated. Bulgaria reports on several planned measures to overcome the shortage of medical professionals, such as improvements in the remuneration and the working conditions, alongside with creating more favourable conditions for specializations.</p> <p>Despite the reported measures, the effectiveness of the health care system in Bulgaria is perceived to remain low, in comparison to other Member States¹. Estimates by the European Commission and the OECD indicate that an important proportion of the Bulgarian population still has limited access to the public health system, which remains largely hospital-centered. Out-of-pocket payments, as well as preventable and treatable mortality rates are amongst the highest in the EU. And while Bulgaria has above the EU average number of specialist physicians, the number of nurses is among the lowest and the geographical distribution of health professionals remains uneven.</p> <p>The SPC evaluates positively Bulgaria's efforts to address the requirements of the CSR. Given the extent of the challenge, it is concluded that limited has been achieved and Bulgaria is encouraged to continue with its reform efforts.</p>
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¹ See analysis in the 2020 Semester Country Report for Bulgaria, p. 44-45

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

CZECH REPUBLIC			
CSR (part) 2019	Topic thematic review	Date	Conclusions
Foster the employment of disadvantaged groups.	Labour market participation of women and disadvantaged groups	17 March	<p>The results of the Czech labour market have improved in recent years and approached a full level of employment.</p> <p>However, there is focus on the potential to compensate for labour shortages by mobilizing the groups most underrepresented in the labour market, especially mothers with young children. Their labour market activity rate is low due to the lack of childcare facilities (especially for children under three years of age), the long entitlement to parental leave and the low use of flexible working arrangements.</p> <p>Another vulnerable group is the low skilled, mostly long-term unemployed and often dependent on social benefits. This group faces multiple obstacles, apart from lack of education, such as health constraints, financial problems (debts), limited transport accessibility to work, caring responsibilities for children or another close person requiring special assistance.</p> <p>Improvements to profiling tools may help target and tailor make PES support. More generally, reach-out to those furthest from the labour market needs to be significantly increased. Efforts to improve partnerships, greater coordination at the local level and involvement of local authorities could contribute to reaching out to disadvantaged groups and address effectively their complex obstacles to enter the labour market. More systematic measurement of performance would be important to target and raise efficiency of ALMP.</p>
Increase the quality and inclusiveness of the	Education, skills,	10 March	Czechia continues to improve the quality and inclusiveness of its education

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

<p>education and training systems, including by fostering technical and digital skills and promoting the teaching profession.</p>	<p>VET and adult learning</p>	<p>(with EDUC)</p>	<p>and training systems, even though measures addressing the specific concerns of the Roma remain limited. The government adopted a second action plan for inclusive education for 2019-2020, which aims to implement desegregation measures for schools where more than half the pupils are Roma. Tackling regional disparities through tailored measures will be key to its success.</p> <p>Czechia supports inclusive education with EU funding and finances affirmative actions which are targeting Roma pupils and students from national resources. The Czech authorities are continuing to take action to reduce inequalities in educational outcomes linked to pupils' socio-economic backgrounds. Several activities to improve the quality of education of children and pupils from socio-economic disadvantaged backgrounds (in particular Roma children and pupils), to reduce early school leaving, and to increase school attendance have been implemented with EU funding. Until 2020, Czechia also spent more than 275 million EUR on supportive measures which are aimed to reduce health, socio-economical and cultural disadvantages of children, pupils and students.</p> <p>The quality and inclusiveness of education and training systems are also enhanced through „template calls“, which enable school counsellors to provide further support to pupils from disadvantaged groups.</p> <p>Authorities are making good use of EU funds to support policies that foster technical and digital skills. An EU-funded call to support the implementation of the strategy for digital education was launched in autumn 2018. It will enable the creation of new educational resources, the provision of methodological and technical support for the use of digital technologies in education, training of teaching staff and the promotion of innovative teaching methods. The “Digital Czechia” strategy also aims to improve adults’ digital literacy, digital skills in small and medium-sized businesses and address digital exclusion.</p> <p>The attractiveness of the teaching profession remains low. Recent pay rises</p>
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Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

			<p>(by 15 % in 2019 and by 10% in 2020) and future plans in this regard are important steps, in order to tackle the fact that the salaries of teachers and school heads are below the salary levels of other tertiary-educated workers. Czechia also focuses on the professional support of teachers and has been implementing the EU-funded project “System for the Support of the Professional Development of Teachers and Head Teachers (“SYPO”).</p> <p>While acknowledging measures that have been set up, Czechia is encouraged to continue with their full implementation.</p>
<p>Foster the employment of women with young children, including by improving access to affordable childcare.</p>	<p>Labour market participation of women linked to long-term care and early childhood education and care</p>	<p>May, EMCO-SPC</p>	<p>Motherhood has a strong impact on women’s employment in Czechia. The employment rate of women (20-49) with a child under 6 years is among the lowest in the EU. In addition, the high gender pay gap points to inequalities in the labour market. Low availability of affordable childcare, long parental leave entitlements, low use of flexible working arrangements, and the lack of long-term care facilities are among the main factors identified behind the gender employment and pay gaps.</p> <p>Against this background, Czechia reported a number of measures aimed at equalising the participation of women and men in the labour market.</p> <p>In 2019, the existing Family Policy Strategy was updated with new measures to promote work-life balance, to better support single-parent families, and to address the gender pay gap. The measures are yet to be approved by the Czech Government. Czechia also continues with its efforts to expand the availability of quality and affordable pre-school care services. Amendments to the Children’s Groups Act were submitted for Government approval in 2020 with the intention to frame the conditions for funding of children’s groups and micro-nurseries (currently supported through ESF funding).</p> <p>Government negotiations are also ongoing to make conditions for long-term care benefits more flexible and accessible to more carers. Finally, an ESF project to reduce the gender pay gap called “22% towards equality” is being</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

			<p>implemented – including a range of non-legislative measures from raising public awareness and produce research on wage gaps, to the use of wage transparency tools and training of labour inspectors.</p> <p>EMCO and SPC recognize the efforts of the Czech government to increase the availability of childcare facilities and widen leave conditions for both men and women. Although the share of children under 3 in formal care has been increasing significantly (from 4.7% in 2016 to 9.0% in 2018), further efforts are needed in this area. Note is taken of initiatives to raise public awareness of the gender pay gap, and to engage with employers to make use of various tools to increase transparency. Given that many of the reported measures are project based and possible legislative initiatives are not fully known at this stage, the Committees are of the opinion that progress to address the CSR is limited.</p>
CSR 1: Improve long-term fiscal sustainability of the pension and health-care systems.	Pensions	April, SPC	<p>The 2019 Council recommendation is a follow-up recommendation and the SPC takes note that the Czech Republic is not reporting on any new measures. The SPC also takes note that the proposed assessment in the 2020 Semester Commission Country Report considers that no progress has been achieved under the sustainability of the pension system part of the CSR.</p>
CSR 1: Improve long-term fiscal sustainability of the pension and health-care systems.	Healthcare	April, SPC	<p>The Czech Republic reports on several measures, aimed to improve the coverage, quality, accessibility and cost-effectiveness of the health system. A Primary Care Reform, which would allow widening the competencies of general practitioners has been scheduled. The use of new Diagnostic Related Group, aimed at improving the management, control and optimization of health expenditures will be piloted on a limited scale in 2020. The digitalization of the healthcare system is also ongoing, with the system of</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

				<p>ePrescriptions fully implemented and with additional measures, such as eHealth currently being developed. Finally, a new system for performance assessment of the health system will be established.</p> <p>The SPC recognizes that the announced measures are ambitious and, when fully implemented, will significantly contribute to the long-term fiscal sustainability of the healthcare system in the Czech Republic. As the large majority of those measures are still to be implemented, the Czech Republic has achieved limited progress under this part of the CSR.</p>
DENMARK				
CSR (part) 2019				
Focus investment-related economic policy on education and skills.	Education, skills, VET and adult learning	10 March (with EDUC)	Conclusions	<p>Denmark faces a growing school-age population. General government expenditure on education as a proportion of GDP decreased in recent years but remains well above the EU average. Various municipalities have entered into agreements with teacher unions regulating working hours, flexible working time, in-service training and assessment. One of the reasons behind such agreements was the local need to attract teachers.</p> <p>Participation in early childhood education and care is high, but children from disadvantaged groups or with a migrant background need to be supported further. The quality differences in the area of early childhood education and care provided by the municipalities and various bodies responsible for education policies may affect the continuity of the education process and the transition from pre-school to primary education. Young people from disadvantaged groups and/or with migrant background continue to show lower education outcomes.</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

			<p>Danish authorities have taken measures in the areas of education and training for people with a migrant background, such as vocational programmes for newly arrived migrants, agreed between the government and the social partners. VET has also been boosted by new apprenticeships schemes and work-based learning programmes.</p>
GERMANY			
CSR (part) 2019	Topic thematic review	Date	Conclusions
<p>CSR 1: Shift taxes away from labour to sources less detrimental to inclusive and sustainable growth.</p>	<p>Labour market segmentation and undeclared work, labour taxation</p>	<p>18 February</p>	<p><i>Wages</i></p> <p>After many years of moderation, wage growth has been resilient to the recent slow-down of the economy so far. The wage-setting system in Germany is based on collective bargaining and the government only intervenes in a regulatory capacity, if necessary to safeguard minimum standards with regard to working conditions, the general statutory minimum wage and sector-specific minimum wages. Social partners are actively involved in the process through the Minimum Wage Commission, a bipartite body which proposes adjustments to the federal government every two years. The evaluation of the minimum wage is in planning. Additional Government measures that would encourage social partners to increase the coverage of collective agreements might contribute to wage increases and to narrow down the accumulated gap between productivity and wages with</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

<p>CSR 2: Reduce disincentives to work more hours, including the high tax wedge, in particular for low-wage and second earners. [...] Strengthen the conditions that support higher wage growth, while respecting the role of the social partners.</p>			<p>a view to euro area rebalancing.</p> <p><i>(Taxes) and (Reduce disincentives for low wage and second earners to work more hours)</i></p> <p>Germany previously made steps towards reducing disincentives to work for second earners, facilitating transitions to standard employment and reducing the high tax wedge for low-wage earners, a considerable part of which are women. However, disincentives to increase working hours persist, particularly for second earners and the low-waged, due to the substantial tax wedge and tax rules. It remains important to closely monitor the impact measures such as the Act on Part Time and Fixed-Term Employment as well as the Improving Pensions and Stabilising the Statutory Pension Insurance.</p> <p>The newest efforts of the German authorities to further reduce the disincentives to work more hours, in particular by reducing taxes on labour, are appreciated. However, additional measures might be necessary to incentivise to work more hours, especially for second earners. It has been decided to abolish the solidarity surcharge for about 90% of taxpayers currently paying this tax and measures have been taken to raise the earning threshold for certain low-income earners resulting in a more gradual phase-in of social security contributions. The share of labour tax revenues in Germany is among the highest in the EU.</p>
<p>CSR 1: [...] Focus investment-related economic policy on education; [...], taking into account regional disparities.</p> <p>CSR 2: [...] Improve educational outcomes and skills levels of disadvantaged groups.</p>	<p>Education, skills, VET and adult learning</p>	<p>10 March (with EDUC)</p>	<p>Germany has announced significant investment in several areas, notably in digitalisation in education and in higher education. In June 2019 the federal authorities agreed with the regions to spend more than EUR 2 billion on higher education and research every year.</p> <p>Demographic trends and technological change, including further digitalisation, are expected to have a serious impact on jobs and society, changing the required skills mix. Moreover, participation in adult learning is slightly below the EU average [highlighting the need for more widespread up-skilling and re-skilling targeted to adults with low skills.</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

			<p>To address these challenges, Germany is preparing for fundamental change in the skills of its workforce by carrying out digital initiatives and by refocusing the system of adult learning. Efforts are ongoing to boost adult learning and additional measures aimed at upskilling. The Qualifications Opportunities Act adopted on 1 January 2019 will improve access to and financial support for further education of employees whose occupational activities are at risk of being replaced by new technologies, for employees affected by structural change, or those in jobs with a shortage of skilled workers. Launched in June 2019, the National Skills Strategy (Nationale Weiterbildungsstrategie) builds on the initial vocational education and training pathways and aims to facilitate career advancement, upskilling and long-term employability for broad sections of the population. There are many initiatives at national and local level that support the integration of migrants and refugees, mainly focusing on formal and non-formal education and training. Furthermore, inequalities in educational attainment with socio-economic backgrounds still having a strong influence.</p> <p>EMCO and EDUC take note of the fact that Germany opted for a light review and that the conclusions of last year's multilateral surveillance review on education policies remain valid.</p>
<p>CSR 1: Take measures to safeguard the long-term sustainability of the pension system, while preserving its adequacy</p>	<p>Pensions</p>	<p>April, SPC</p>	<p>In Germany, past reforms to gradually increase the standard retirement age and to phase out certain early retirement options have contributed, between 2006 and 2017, to a notable increase of the retirement age of both men (from 62.6 to 64.6 years) and women (from 61.5 to 64.0 years). This has been accompanied by an increase in the employment rate of elderly workers. In 2018, Germany also introduced measures (<i>Rentenpakt</i>), to maintain the adequacy of pensions above a certain threshold until 2025.</p> <p>In addition, Germany has established a Pension Commission for a Reliable Inter-Generational Contract, composed of scientists, social partner</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

		<p>representatives and politicians. The Commission is tasked to prepare recommendations for long-term adjustments and reforms beyond the year 2025 within all three pension pillars (statutory, occupational and private pensions). The final report of the Commission was published end of March 2020. It postponed important measures (including on maximum and minimum thresholds (<i>Haltelinien</i>), binding contributions and benefit levels in the long-term, and the further adjustment of the retirement age) to after 2025. Germany also reports on its government decision to introduce a basic pension (<i>Grundrente</i>) for long-term insured persons, planned for 2021, but the legislative act is not yet adopted.</p> <p>Despite those achievements and planned measures, by 2040 the country is expected to be facing one of the largest increases in spending on public pensions in the EU (up by 1.9 pps of GDP), while the public pension benefit ratio is expected to fall to 37.6%, according to the 2018 Ageing Report.</p> <p>The SPC takes note of the past measures and their positive effect on the sustainability and adequacy of the German pensions system. As further reforms, based on the outcome of the Pension Commission reflections are yet to be formulated, and in light of the remaining long-term challenges for the financial stability and adequacy of future pensions, the SPC is of the opinion that Germany has achieved limited progress in addressing the requirements of the Council Recommendation.</p>
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Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

ESTONIA			
CSR (part) 2019	Topic thematic review	Date	Conclusions
Take measures to reduce the gender pay gap including by improving wage transparency.	Labour market participation of women and disadvantaged groups	17 March	<p>Estonia has a high overall employment rate. The gender employment gap is smaller than the EU average but the gender pay gap remains the highest in the EU. There are several instruments, plans and programs implemented by the Estonian Government (such as a Welfare Development Plan, ICT tools development for wage transparency, 3-yr-research project to detect causes for gender pay gap, Government's Action Plan 2019-2023 to increase teachers' wages, Project "Nudging Women to Power") to address underlying issues and reduce the gender pay gap, including by improving wage transparency.</p> <p>Legislative initiatives to make parental leave more flexible, 2018-2022, include upgrading father's leave from 10 days up to 30 days (from July 2020). In addition the use of the parental leave period will become flexible for the first 3 years of the child's life. This is expected to shorten women's long career breaks and increase fathers' take-up of the parental leave.</p> <p>Nevertheless, at this stage it is not clear what will be done in response to the outcome of the 3-yr-research project when it comes to pay discrimination or other. If any, further proposals to reduce the gender pay gap are not envisaged before February 2022. While new places in childcare facilities and kindergartens are planned for 2020, lack of obligatory childcare provision for children under 1.5 years may mute the impact of the new parental leave flexibility.</p>
Address skills shortages and foster innovation by improving the capacity and labour market relevance of the education and training system.	Education, skills, VET and adult learning	10 March (with EDUC)	<p>EMCO and EDUC take note that Estonia opted for a light review and is not reporting on any major new measures.</p> <p>Estonia continues its efforts to addressing the CSR building on previously</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

			<p>implemented measures, in 2019 adding amendment to VET regulation to address high drop-out rates and curricula relevance. A new strategic long-term Educational Development Plan 2035 is under preparation – i.a. planning to increase incentives for educational and training institutions to cooperate with the world of work, e.g. by strengthening of apprenticeship schemes and work-based learning, as well as support the development of the learner.</p> <p>The measures taken on education and training go in the right direction but the significant challenges raised in the CSR should continue to be addressed, including further strengthening of the capacities of the education and training system.</p>
<p>CSR 2: Improve the adequacy of the social safety net and access to affordable and integrated social services.</p>	<p>Social Protection and Social Inclusion</p>	<p>April, SPC</p>	<p>Estonia has introduced several measures intended to improve the adequacy of the social safety net by providing additional support to some of its most vulnerable citizens. These measures include an increase of social allowances for children with disabilities [<i>double or triple the previous amount, depending on the level of disability</i>] and an extraordinary raise of all pensions [<i>by 7 Euros</i>].</p> <p>Estonia has also taken steps to improve the access to affordable and integrated social services. These include several on-going initiatives to support local municipalities in the provision of social welfare services and in investing in social welfare infrastructure. In addition, a comprehensive Long-term care concept, with focus on home care services and based on partnerships between state and local governments has been approved by the Cabinet of Ministers with earliest implementation from 2022. Measures to support people with dementia, through, for example, the establishment of new and adaptation of existing care places are also planned to be completed by 30 June 2020. Certain measures to improve the coordination</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

			<p>between health and welfare sectors in the provision of care have also been initiated. Targeted investments in healthcare services, related to the development of hospice services; to improving access and quality of nursing care in assisted living facilities; and to increasing access to primary care services have also been announced and initiated.</p> <p>The SPC is of the opinion that Estonia has made some progress by putting in place relevant measures to improve the adequacy of the social safety net. Addressing poverty of people in low work intensity households and adults with disabilities will also be needed. Estonia has also announced and initiated some steps to address the accessibility of affordable and integrated social services, but since most are in their early stages and there are further challenges remaining, progress at addressing the integrated social services part of the CSR is limited.</p>
IRELAND			
CSR (part) 2019	Topic thematic review	Date	Conclusions
Provide personalised active integration support and upskilling, in particular for vulnerable groups and people living in households with low work intensity.	ALMPs and PES reforms	21 January	<p>The labour market situation in Ireland is improving. However, this improvement is not yet equally shared among the population. The share of low work intensity households has decline, but remains well above EU average.</p> <p>Measures taken by Ireland include the development of the revised Pathways to Work Strategy with a particular focus on improving the progression to employment of vulnerable groups, inactive individuals and the launching of the Social Inclusion and Community Activation Programme (2018 – 2022) which provides funding to tackle poverty and social exclusion. Measures</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

			<p>taken to increase basic and advanced levels of digital skills require further attention.</p> <p>ALMPs are kept under review to ensure that they are aligned with the labour market requirements. In line with this, Ireland is focusing on vulnerable groups, as well as on deepening partnerships with employers and the delivery of high-quality further education and training opportunities. Those efforts would need to be continued to further decrease the proportion of low work-intensity households, through among others, greater links with the social protection system and more targeted and evidence based active labour market policies.</p>
<p>Increase access to affordable and quality childcare.</p>	<p>Early childhood education and care</p>	<p>May, EMCO-SPC</p>	<p>Ireland has introduced a range of measures in recent years to improve the quality, affordability and accessibility of early childhood education and care . To address the remaining challenges, Ireland continues to implement reforms under its 10-year strategy First 5: A Whole of Government Strategy for Babies, Young Children and their Families , published in November 2018 and aimed to transform all types of services and supports for children up to and including age 5.</p> <p>Among the main measures reported are a National Childcare Scheme that provides financial support for families to improve access and affordability for early childhood education and care and school-age childcare, and the development of a new funding model that should supplement other sources through more targeted and evidence-based investment. Also a series of measures relating to regulatory and workforce reform have been prioritised in 2019.</p> <p>The targeting of the National Childcare Scheme towards low-earners is important as net ECEC costs as a percentage of disposable income for low-income earners was one of the highest in the EU, in 2018.</p> <p>Policy measures are addressed in the Whole Government Strategy. Through clearly targeted measures, timelines and ongoing monitoring, the strategy</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

<p>CSR 3: Focus investment-related economic policy on ... affordable and social housing, taking into account regional disparities.</p>	<p>Social Protection and Social Inclusion</p>	<p>April, SPC</p>	<p>tackles both the access to and the quality of early childhood education and care. The new funding model could provide an opportunity to more precisely allocate public funding to deliver the types of services that align with national policy objectives. The increased funds for ECEC provide greater access for families on low incomes.</p> <p>Based on the achieved outcomes, EMCO and SPC are of the opinion that Ireland has achieved substantial progress on the CSR.</p>
<p>CSR 3: Focus investment-related economic policy on ... affordable and social housing, taking into account regional disparities.</p>			<p>To address the requirements of the CSR and tackle the ongoing undersupply of housing, Ireland continues to implement the broad range of measures under the previously announced <i>Rebuilding Ireland: Action Plan for Housing and Homelessness</i> (launched in 2016), as well as under the <i>National Planning Framework Ireland 2040</i> and <i>Project Ireland 2040</i> (launched in 2018).</p> <p>The additional measures, reported for the current review, include the establishment of <i>Services Sites Fund</i> (SSF) for the provision of targeted financial housing support for areas, where the housing affordability challenge is the greatest; the continued efforts by the <i>Land Development Agency</i> (established in 2018) to develop new homes, and regenerate under-utilised sites; the expected delivery of almost 20,000 new homes by 2021, enabled by measures to relieve critical infrastructure blockages under the <i>Local Infrastructure Housing Activation Fund</i>. In addition, the <i>Urban Regeneration and Development Fund</i> under the 2018-2027 <i>National Development Plan</i> will support urban regeneration and rejuvenation projects.</p> <p>The SPC recognizes the significant investment and various measures implemented by Ireland to support housing supply and tackle the growing homelessness and housing exclusion problem. Therefore, the SPC is of the</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

			<p>opinion that Ireland has achieved some progress. Despite the important measures introduced, further efforts are encouraged to address fully the needs of households on social housing waiting lists and of potential new applicants.</p>
<p>CSR 1 Address the expected increase in age-related expenditure by making the healthcare system more cost effective and by fully implementing pension reform plans.</p>	<p>Pensions</p>	<p>April, SPC</p>	<p>The Irish government launched in 2018 “A Roadmap for Pension Reform 2018-2023,” which contains proposals for a reform of the state pension. Among those proposals are the introduction of a fairer and more transparent system (the <i>Total Contributions Approach</i>) under which the person’s lifetime contribution will be more closely reflected in the benefit received. In addition, an <i>Automatic Enrolment Retirement Savings System</i> will ensure that employees, subject to certain parameters, are automatically included into a quality assured retirement savings system, with freedom of choice to opt-out. The introduction of the new measures will require changes in the Irish legislation. The Government has reached an agreement on key elements of the approach and work on drafting the necessary legislation and the development of required administration and ICT systems is expected to commence in 2020.</p> <p>After the general election held in Ireland in February 2020, negotiations to form a Government are underway. Following agreement of a Government Formation Document, the timeline for the introduction of the <i>Total Contributions Approach</i> may be finalised. When the new Government has agreed the approach to be taken, work will commence on drafting the necessary legislation and developing supporting administrative and ICT structures.</p> <p>The SPC welcomes the planned measures. Since preparatory work on the reform is still ongoing and the actual preparation of necessary legislation is</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

			yet to commence, the SPC is of the opinion that Ireland has achieved limited progress at that stage.
<p>CSR 1 Address the expected increase in age-related expenditure by making the healthcare system more cost effective and by fully implementing pension reform plans.</p>	Healthcare	April, SPC	<p>In early 2019, Ireland launched <i>Síaintecare</i> - an ambitious reform plan, aiming to comprehensively reform and modernise the Irish health and social care services over a period of 10 years. The plan is now entering into its second year of implementation and a number of measures to improve service delivery through organizational changes and capacity increases have already been introduced. There is a range of other measures, most notably the introduction of universal health coverage, which are yet to be initiated.</p> <p>The SPC acknowledges the potential of the ambitious <i>Síaintecare</i> strategy to make the Irish healthcare system universally accessible and sustainable. In light of its first positive outcomes, Ireland is assessed to have achieved some progress in addressing the requirements of the CSR and is encouraged to proceed with the reform's swift and full implementation, including the introduction of universal health coverage.</p>
GREECE			
CSR (part) 2019	Topic thematic review	Date	Conclusions
Recital 13: Despite recent improvements, the share of long-term unemployed, which represented 70% of the unemployed in Greece in 2018, is very high, and high youth unemployment and low labour market participation of women are also a matter of concern. Interventions should focus on improving employment	Youth	16 October	The implementation of the Youth Guarantee is advancing, with improvements taking place in the context of a broader reform agenda. The Youth Guarantee action plan was revised and there are a number of new measures and initiatives pursued to improve activation policies, including measures to improve the functioning of the public employment services. The effectiveness of partnerships has improved but further efforts are

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

<p>prospects, promoting labour market participation, and fostering conditions for job creation.</p>			<p>needed to improve the delivery mechanism with a view to activate NEETs faster. New initiatives are being pursued such as the policy design 'ReBrain Greece'. Media campaigns as part of outreach activities for NEETs are pursued but further efforts are still needed to reach out to the non-registered NEETs. The profiling system which is being put in place, along with the currently designed monitoring and evaluation systems should further increase the effectiveness of ALMPs. Efforts to address the quality of activation actions are acknowledged, while the involvement of international organisations is welcomed. The new certification system of Continuous Vocational Training and setting up of continuous monitoring of training actions are also welcomed.</p>
<p>Recital 13: Effective social dialogue and responsible social partnership in Greece can support the environment for the implementation and ownership of sustained reforms, resulting in a better functioning of the labour market.</p>	<p>Social Dialogue</p>	<p>19 November</p>	<p>All participants agreed that social dialogue plays an important role in policy-making in Greece. However, the government institutions could involve the social partners more in the design, implementation and monitoring of policies. A better use of the existing institutional frameworks could be made alongside streamlining them in order to allow for a greater participation of the social partners. The legacy of the crisis still has an impact on the social dialogue even if the Greek government took steps to improve it. Even though the government institutions are committed to involving the social partners in policy design and implementation, concerns remain regarding the frequency of the meetings as well as regarding the consultation processes. The social partners were not directly involved in the preparation of the National reform Programme for 2019. They expressed the willingness to be involved in a wider range of policy areas in order to make the social dialogue more genuine.</p>
<p>Focus investment-related economic policy on [...] education, skills, employability [...] taking into account regional disparities and the need to ensure social inclusion.</p>	<p>Education, skills, VET and adult learning</p>	<p>10 March (with EDUC)</p>	<p>Public expenditure on education in Greece is among the lowest in the EU. Despite the notable progress, the provision of affordable quality early childhood education and care for children under 4 years of age requires further improvement. Some positive initiatives are being taken in order to tackle the infrastructural limitations in some municipalities, (i.e. building and</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

			<p>renovation of kindergartens) with the aim of a nationwide full implementation shortly.</p> <p>Although the ICT infrastructures and digital equipment in schools are currently being reinforced, Greece will need to invest in providing lifelong learning opportunities to address low skills levels across the population as well as in the digitalisation of schools and administration, in order to mitigate regional disparities</p> <p>Early school leaving has been reduced considerably in rural areas but remains high among foreign-born people, thus further widening the gap between the native population and the people with a migrant background. The focus on social inclusion in the updated curricula for primary and secondary school is a good way to reduce underachievement in basic skills, which is influenced by the socio-economic background of students.</p> <p>Measures have already been adopted to reform the VET system and to address its low attractiveness. Investing in vocational education and training and developing work-based learning in cooperation with employers may help address skills mismatches and reduce the number of NEETs, which remains high even though Greece managed to significantly combat early school leaving.</p> <p>Employment prospects have improved for recent tertiary graduates, but the reforms of the higher education need to take more into account the projected labour market needs. Measures to tackle the brain drain of tertiary graduates are being implemented. Participation in adult learning remains significantly below the EU average. Regulatory initiatives to build up adult learning are ongoing but implementation needs to accelerate.</p>
<p>CSR 1: Focus investment-related economic policy on ... , health, ... taking into account regional disparities</p>	<p>Healthcare</p>	<p>April, SPC</p>	<p>The protracted economic crisis that started in 2008 had a deep and lasting impact on the Greek healthcare system and resulted in significant decrease</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

<p>and the need to ensure social inclusion</p>		<p>in healthcare spending. Spending on health per capita started to stabilize since 2015, but remains significantly below the EU average. In addition, the effectiveness of the system is affected by excessive focus on in-patient care with high out-of-pocket payments, relatively low spending on preventive and primary care and a shortage of certain medical professionals (nurses).</p> <p>To improve the efficiency of its healthcare system and equal access to healthcare, Greece initiated in 2017 a far-reaching reform of primary healthcare. Supported by funding through ESF, a network of local healthcare units (TOMYs) has been established. Greece reports on further plans to strengthen the provision of primary healthcare at local level through the development of multidisciplinary teams in the community at the level of the Local Primary Care Network (Health Centre). In addition, the Greek Ministry of Health is in the process of implementing measures to improve the transparency, centralization and control of public hospital procurement. Greece is also in the process of revising existing pharmaceutical policies aimed at the rational use of medicines and at keeping pharmaceutical spending under control.</p> <p>SPC recognizes the commitment and efforts of Greece to improve the functioning of its healthcare system. Given the remaining challenges, also as a legacy of the crisis, SPC is of the opinion that further efforts are needed to address the Council Recommendation. Greece is therefore assessed to have made limited progress under this part of the CSR.</p>
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Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

SPAIN			
CSR (part) 2019	Topic thematic review	Date	Conclusions
Foster transitions towards open-ended contracts, including by simplifying the system of hiring incentives.	Labour market segmentation and undeclared work, labour taxation	18 February	<p>The Spanish labour market is improving but concerns about segmentation remain. There are some positive developments such as the increasing share of permanent contracts in new hiring, however the overall share of temporary contracts is still high, particularly for young and low-skilled people. And there are concerns about the continued low rate of transitions to permanent contracts as well as the duration of some of the temporary contracts. The new coalition Government agreement includes measures to be taken in the context of social dialogue with social partners with the goal to improve the employment legislation.</p> <p>While Spain has made initial steps in addressing the CSR, limited progress to reduce segmentation is seen.</p>
Reduce early school leaving and improve educational outcomes, taking into account regional disparities. Increase cooperation between education and businesses with a view to improving the provision of labour market relevant skills and qualifications, in particular for information and communication technologies.	Education, skills, VET and adult learning	10 March (with EDUC)	<p>Reduction of early school leaving remains one of the main challenges of the Spanish educational system and Spain keeps working to achieve the EU 2020 objective of 15%. A range of measures are under consideration to address the skills gap.</p> <p>The new VET Strategy is a welcome initiative that has the potential to contribute to filling current and future skills gaps. Steps taken by the Employment Service to strengthen the monitoring and anticipation of skills, in cooperation with the business sector, are also relevant in this regard. Given the scale of current skills imbalances, these are steps in the right direction, but efforts to involve business in the governance and provision of VET, the anticipation of skills, and the design of qualifications should be further pursued.</p> <p>Continued regional disparities in early school leaving rate and education</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

<p>Ensure that employment and social services have the capacity to provide effective support.</p>	<p>Social Protection and Social inclusion; Integrated provision of PES and Social Services</p>	<p>May, EMCO-SPC</p>	<p>outcomes remains a challenge with limited changes in the past year. A proposal to reform the Education Law includes promising elements, such as increased financing, and amendments to curricula and increased student support. It also aims to reinforce cooperation between regions to generate co-responsibility and efficiency on certain agreed strategic objectives. The success of this future law will depend on its capacity to build long-lasting socio-political consensus around it, to support lagging behind regions, on providing adequate funding, and on the implementation of other pending related reforms (teaching profession, VET, university law). Measures aiming to limit grade repetition need to be consistent with overarching goals (e.g., improving pupils' educational outcomes). As parliament approval is still under way, the timing and effect of the legislative changes are not yet known at this stage.</p>
			<p>The administration of employment and social services in Spain is decentralized, with management responsibilities mostly falling under the regional or municipal levels, and with financing shared between the state, the regions and the local entities. Spain reports on various measures to ensure the support of the Central government to the regions, improve the coordination, and promote the exchange of best practices (including through the Social Inclusion Network, established in 2010) with a view to ensuring a consistent provision of services across the entire country.</p> <p>In 2019 two working groups concluded their work on exchange of information between the employment and social services, and on transitions to employment for minimum income recipients. As a result, three pilot projects have been implemented with some positive results, but their scope remains limited. Furthermore, in 2020, two working groups will work on the diagnosis tools for assessing vulnerability and /or social exclusion, and on integrated models of shared information among the third sector, the public employment and social services, which is a step in the right direction towards horizontal coordination amongst service providers. Besides, joint</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

			<p>training sessions with professionals from both the Public Social Services and the Public Employment Services continue to take place within the framework of this Network and some protocols of coordination are functioning.</p> <p>EMCO and SPC evaluate positively the efforts of the Central government to support the functioning of the regional public employment services and improve their cooperation with social services. The Committees take note that the coordination between employment and social services is improving, but still varies across regions. Spain is therefore assessed to have achieved some progress. Further commitment and efforts to narrow the disparity among the regions and improve the capacity of concerned services is needed.</p>
<p>CSR 2 Improve support for families, reduce fragmentation of national unemployment assistance and address coverage gaps in regional minimum income schemes</p>	<p>Social Protection and Social Inclusion</p>	<p>April, SPC</p>	<p>Spain continues with its efforts to improve income support to families with measures for better reconciliation of working and family life of parents. In addition, Spain reports on extra measures to address the most vulnerable, including the introduction of a heating allowance, some increases in pensions and the statutory minimum wage. A national Strategy for the <i>Prevention and Fight against Poverty and Social Exclusion 2019-2023</i> has also been elaborated. The Strategy's implementation plan and budget for 2019 are complete, but plans and budgets for later years are still pending.</p> <p>Efforts to reduce the fragmentation of unemployment assistance consist of streamlining of various non-contributory unemployment benefits and the introduction of an <i>Extraordinary Employment Subsidy</i>, alongside with measures to ensure its wide coverage.</p> <p>To address the coverage gaps of regional minimum income schemes, already in 2018, some Spanish Autonomous Communities increased the average minimum income amount or introduced certain regulatory changes to</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

<p>CSR 1: Preserve the sustainability of the pension system.</p>	<p>Pensions</p>	<p>April, SPC</p>	<p>improve the access to minimum income benefits.</p> <p>The SPC takes note of the reported measures and the commitment of the Spanish government to address the CSR. The SPC recognizes that the poverty-reducing impact of social transfers in Spain remains rather low, especially for children. The SPC also takes note that although the plans to streamline the national income guarantee schemes, announced in 2018 have been until recently on hold, the Government is now intensively working on a plan for the implementation of a Minimum Income Guarantee, as a key measure to alleviate poverty. Spain has therefore achieved limited progress in addressing the requirements of the CSR and is encouraged to step-up its efforts to provide support for families and to improve the effectiveness of the income support schemes.</p> <p>Spain's report provides a detailed overview of a number of past measures aimed at preserving the sustainability of the Spanish pension system. According to the already enacted legislation, the legal pensionable age will continue its gradual increase, leading to an expected average retirement age of up to 64.4 years in 2019 and up to 67 years in 2027. The most recent measures, introduced in 2018 and in the first half of 2019 include a gradual increase of the contribution of higher earners; a 22% increase of the minimum wage, with corresponding increase in social contributions; better social protection for the self-employed; increase of the minimum contribution rate for people working in hazardous activities.</p> <p>The SPC takes note that the political situation in Spain, with a caretaker government between April 2019 and January 2020, impacted Spain's ability to formulate a sufficient response to the CSR. In light of this, Spain is assessed to have achieved no progress in preserving the sustainability of its pension system. The SPC encourages the new Spanish government to</p>
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Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

				formulate and implement the necessary measures to address the Council recommendation.
FRANCE				
CSR (part) 2019	Topic thematic review	Date	Conclusions	
Foster labour market integration for all job seekers, ensure equal opportunities with a particular focus on vulnerable groups including people with a migrant background.	Labour market participation of women and disadvantaged groups	17 March	<p>Despite an improved labour market situation and decreasing unemployment rates, the level of unemployment is still higher than the European average. The main cause for structural unemployment is seen in the lack of qualifications.</p> <p>As part of a coherent strategy aimed at fostering labour market integration, a number of reforms are currently being implemented, such as The Skills Investment Plan (2018-2022), Contrat d'intégration républicaine (CIR), Emplois francs – ("Freed contracts"), Parcours emploi compétences (PEC) – Employment-skills pathways, and Service public de l'insertion, some with a specific territorial angle on the most deprived areas and populations. The deployment of the overall strategy will be incremental and its effects will take time to materialize.</p> <p>As reflected by the choice of a light review, no new major measures and means have been introduced. However, the Tripartite strategy for the Public Employment Service (Pôle Emploi) was renewed and signed in January 2020, providing additional guidance means in favour of job seekers, and ensuring better match with employers' recruitment needs.</p>	

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

<p>[...] address skills shortages and mismatches.</p>	<p>Education, skills, VET and adult learning</p>	<p>10 March (with EDUC)</p>	<p>A steady increase of the job vacancy rate in all sectors so far was largely attributed to skills mismatch and shortages. To improve skills matching, France continues its efforts by renewing its public employment service's strategy, developing further existing tools as well as introducing new measures.</p> <p>Note is taken of the additional means and staff provided to the PES, in support to the implementation of its renewed strategy, along with amended training offers and efforts to improve the guidance provided to jobseekers and support to companies. At regional level, campuses of trades and qualifications are being set up with the aim of a better match of curricula to the skills needs of the territories. The ongoing reform of the apprenticeship system has led to an important increase in the enrolment and broadened the type of offers available across the country.</p> <p>Implementation of a training obligation for all young people up to the age of 18 should begin from the 2020-2021 school year is of considerable importance for raising the overall skills levels in the longer run.</p> <p>Overall, France is addressing the CSR on several fronts with involvement of relevant stakeholders and efforts seem promising. However, a number of measures, notably aiming at addressing more specifically the issue of skills shortages, are at an early stage and impact cannot yet be assessed. Monitoring and evaluation will be important, as well as a continued coordination of measures at national and regional levels.</p> <p>As part of a general up- and reskilling strategy, including for vulnerable groups, it will be important to follow results obtained from the use of individual learning accounts.</p>
<p>CSR 1: Reform the pension system to progressively unify the rules of the different pension regimes, with the view to enhance their fairness and sustainability.</p>	<p>Pensions</p>	<p>April, SPC</p>	<p>To address the long-term sustainability and fairness of its pension system, France is preparing an ambitious reform. After a certain delay, the draft law was sent to the parliament in February and its adoption is now planned in</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

			<p>2020 for implementation as of 1 January 2022.</p> <p>The reform entails the creation of a universal system, which would replace the 42 special pension schemes organized by profession and status. The two compulsory pillars - of basic and supplementary pensions – will be merged under the new system. A points system will be created to calculate the amount of retirement income. The rates and contribution bases will be harmonized in the public and private sectors. The new universal system will also contain a mechanism to ensure its long-term sustainability, as the system will have to achieve a positive or zero balance over a period of five years after its implementation.</p> <p>The SPC is of the opinion that the planned reform has the potential to address the requirements of the CSR. Since the reform adoption is still pending, the SPC recognizes that France has taken important steps to address the requirements of the CSR, but progress remains limited at that stage.</p>
CROATIA			
<p>CSR (part) 2019</p> <p>Strengthen labour market measures and institutions and their coordination with social services.</p>	<p>Topic thematic review</p> <p>ALMPs and PES reforms</p>	<p>Date</p> <p>21 January</p>	<p>Conclusions</p> <p>The situation on the Croatian labour market is improving as reflected in both an increased employment rate and more substantially decreased unemployment rates. However, low labour utilisation in the Croatian economy is a concern. Lifelong learning policies and training systems need further development and in the context of high skills mismatches this</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

			<p>warrants further attention. Therefore, the efforts to support labour market integration would need to be continued and strengthened, with special focus on provision of appropriate skills. This in turn might have a positive effect on the reduction of skills and labour shortages.</p> <p>Croatia has strengthened ALMPs prioritising employment subsidies as well as improved cooperation of PES with social services to support beneficiaries of Guaranteed Minimum Benefit.</p> <p>The improved set of criteria for implementation of active labour market policy measures together with newly developed and currently tested IT tools, aiming to improve the mediation and referrals performed by CES (Croatian Employment Service) are expected to yield positive results in the future. Establishment of a good monitoring system will be crucial in order to evaluate the outcomes. Limited capacities of local PES offices need to be addressed too.</p> <p>Croatia is developing new IT tools that help cooperation between different stakeholders; however, PES capacity in general need to be enhanced and cooperation with employers improved. The coverage of the unemployed benefit is relatively low. This could be due to demanding eligibility conditions, including strict availability-to-work conditions and job-search requirements, and the relatively low level of the benefit.</p> <p>Cooperation between different institutional actors (e.g. employment, social, physical and mental health and housing support services) need to be further developed.</p>
<p>In consultation with the social partners, introduce harmonised wage-setting frameworks across the public administration and public services.</p>	<p>Labour market segmentation and undeclared work, labour taxation</p>	<p>18 February</p>	<p>Croatia had planned to take a two-step approach to responding to the CSR. The first step would have involved civil servants and the second step - public servants more generally. The latest developments suggest that Croatia is restarting the process from initial stages, including by developing analytical work as basis for future legislative proposals – an independent analysis with recommendations.</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

<p>Deliver on the education reform and improve both access to education and training at all levels and their quality and labour market relevance.</p>	<p>Education, skills, VET and adult learning</p>	<p>10 March (with EDUC)</p>	<p>The timeline of activities and final adoption of the Acts regulating the salaries of civil and public servants is therefore not clear yet, the preparatory work and the following implementation of the Acts regulating the salaries of civil and public servants need to be stepped up. A continued meaningful involvement of social partners in the process is important.</p>
			<p>Croatia has taken measures to start implementing curricular reforms for subjects and cross-curricular topics in four (out of 12) grades of primary and secondary schools: training and support materials have been developed to help teachers implement new elements such as learning outcomes, different types of assessment and the teaching of transversal themes. Digitalization of teaching and administrative management is ongoing. Steps have also been made to reform the VET curricula, aiming to develop new innovative and flexible sectoral curricula based on labour market needs and to strengthen teacher competences. VET regional centres of competence and a dual education pilot project are complementing the reform. In general, measures targeting primary and secondary education have been undertaken but tertiary education remains untackled.</p> <p>The rate of early school leaving is very low, but the overall quality of education remains a challenge, in particular because Croatia has a very low participation in early childhood education and care, short annual teaching time and one of the shortest compulsory schooling periods in the EU, partly due to infrastructure limitations. Participation in early childhood education and care is held back by shortages of teachers and places. Some positive initiatives are being taken, such as longer opening hours to help parents who work early or late shifts. The EU structural funds support the building and renovation of kindergartens, but a mapping has to be done of the extent to which this will cover the needs.</p> <p>Participation in adult learning is also very low. A new version of the Adult Education Act still has to be adopted. It should ensure full compliance with the Croatian National Qualification Framework, simplify administrative</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

			<p>procedures, improve quality assurance through external evaluation and enable recognition of skills gained through non-formal and informal learning. However, the adoption of the occupation and qualification standards should be significantly accelerated. In addition, securing efficient cooperation with other stakeholders, in particular the employers will be crucial.</p>
<p>CSR 2: Consolidate social benefits and improve their capacity to reduce poverty</p>	<p>Social Protection and Social Inclusion</p>	<p>April, SPC</p>	<p>Croatia continues with the implementation of the measures, reported during the previous Semester cycle to strengthen the coordination and improve the information flow on social benefits provision between local and national level administrative stakeholders. These are necessary preliminary steps towards consolidation and improvement of the transparency of the system of social benefits. A new research project targeting the provision of formal and informal care for the elderly has been initiated in 2019. Steps to modernise and improve the uptake of e-government services are also being introduced. Croatia is also in the process of amending the legal provisions for maternity and parental benefits in order to improve the benefits provided to families with children. On the other hand, the new Social Welfare Act, aiming to tackle the issues of coverage, targeting and adequacy of benefits, has still not been adopted</p> <p>The SPC acknowledges the on-going efforts of the Croatian government and is of the opinion that further efforts are still needed to improve the impact of social benefits on reducing poverty (including the adequacy and coverage of minimum income benefits) and to address the territorial differences in the provision of social services. The announced improvements in the availability of social services and support to young families, while highly relevant, do not have as their primary goal the reduction of poverty, as requested by the CSR. The Committee assessment is of limited progress in</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

				addressing this part of the CSR.
ITALY				
CSR (part) 2019	Topic thematic review	Date	Conclusions	
Ensure that active labour market and social policies are effectively integrated and reach out in particular to young people and vulnerable groups.	Youth	16 October	Italy is advancing in the implementation of the Youth Guarantee scheme, which is comprehensive and based on a partnership strategy, combined with a strong profiling methodology providing for a personalized approach and individual pathways. Still, levels of unemployed youth and NEET rates are the highest in the EU, and large disparities across Northern and Southern regions persist. In term of outreach which still is a challenge, the new measure (Plan 1D) devoted to outreach and activation of the most vulnerable youth has been introduced and looks promising. Awareness raising and campaigns, the setup of a dedicated webpage, and the use of public media to disseminate best practices and available measures also appear promising in increasing the scope, going beyond youth themselves, as the families of youth can also be targeted by these activities, and this might improve the registration and the uptake of measures. Personal services are well developed through a strong profiling methodology and resulting in individual pathways. Challenges include that implementation may suffer from the high complexity of the system, and possible difficulties to manage the large number of projects on a local and regional level. In this context, PES capacity needs to be strengthened and a national strategy might be needed. On traineeships, Italy has specific traineeship legislation, and the more recent guidelines for traineeship quality should further help address the risk of renewal and substitution effects. On the CSR, Italy is making progress in terms of youth employment policies	

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

			<p>but results in terms of the impact on outcomes are still missing. The recently introduced measure 1D looks promising, but time is needed to see whether it will be effective in practice.</p>
<p>CSR 1: [...] Shift taxation away from labour, including by reducing tax expenditure and reforming the outdated cadastral values. [...]</p>	<p>Labour market segmentation and undeclared work, labour taxation</p>	<p>18 February</p>	<p>CSR 1: The tax wedge of a single person is among the highest in EU. Tax credits have been introduced in 2019 and 2020, but further steps shifting taxation away from labour are needed. Other sources of taxation are still considered underexploited; for example, the cadastral values for property taxes still need to be reformed. Low- and middle-income workers profited most of the expanded tax credits. New incentives to hire apprentices have been introduced and a number of provisions are in place to reduce social security contributions (SSC) by employers for vulnerable groups. Despite limited progress, efforts should be continued and their effects carefully monitored.</p> <p>CSR 2: Undeclared work remains widespread, especially in some sectors and in some regions. Italy has carried out a comprehensive institutional reform to strengthen the labour inspectorate, through simplified and more effective inspections, including the supervisory activity on Citizenship Income recipients. There is a particular focus on labour exploitation of migrant workers in the agricultural sector. A multi-dimensional strategy is being developed to tackle undeclared work in this sector. Building on this approach, Italy should work towards a comprehensive strategy for all</p>
<p>CSR 2: Step up efforts to tackle undeclared work.</p>			
<p>CSR 2: [...] Improve educational outcomes, also through adequate and targeted investment, and foster upskilling, including by strengthening digital skills.</p> <p>CSR 3: [...] Improve the effectiveness of public administration, including by investing in the skills of public employees [...]</p>	<p>Education, skills, VET and adult learning</p>	<p>10 March (with EDUC)</p>	<p>While Italy experienced an improvement in employment for all skills levels, the challenge of mismatch between supply and demand of labour persists, including a level of employees with a higher qualification than that required for the job above the EU average.</p> <p>In response to the need of strengthening the quality of the education and training system and improving educational outcomes, numerous measures have been put in place - such as a strengthening of teachers' recruitment and professional development, extension of school hours and promotion of wellbeing at school, strengthening of early childhood education and care</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

			<p>integrated system. As part of the ‘Pathways for transversal competences and guidance’, changes to work-based learning system were introduced to improve student guidance and reduce drop-out rates. The National Plan of Digital Schools includes measures to integrate new digital technologies, infrastructural strengthening of schools in rural and risk areas, the promotion of teachers and students training as well as didactic and digital innovation.</p> <p>While addressing underlying issues of the CSR, the scale of challenges require further efforts. In this respect a comprehensive upskilling strategy encompassing among others digital skills to tackle future transitions could be useful to further/better target investments and monitor progress.</p> <p>With the 2019 “Concretezza” bill to help enforce previously agreed public administration reforms and announcements to further simplify and codify current legislation, the effectiveness of public administration is expected to improve. This can be achieved in particular through investing in skills, accelerating digitalization and increasing the efficiency of local public services. As the operationalization of many key measures is still ongoing, the effects of the reform of the public administration may take longer to be visible.</p>
<p>CSR 2: Support women’s participation in the labour market through a comprehensive strategy, including through access to quality childcare and long-term care.</p>	<p>Labour market participation of women linked to long-term care and early childhood education and care</p> <p>Social Protection and Social inclusion; Integrated</p>	<p>May, EMCO-SPC</p>	<p><i>Labour market participation of women</i></p> <p>The employment gender gap remains among the highest in the EU and women’s participation in the labour market is one of the lowest in the EU, with regional differences.</p> <p>The government has taken some action to facilitate access to early childhood education and care (ECEC) through increased financial support to families, but there are currently no plans to increase supply. Compulsory paternity leave has been increased again, from 5 to 7 days, which is a limited but positive step.</p> <p>While a tax credit for dependent workers – from July 2020 – is expected to</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

<p>CSR 2: Ensure that active labour market and social policies are effectively integrated and reach-out in particular to young people and vulnerable groups.</p>	<p>provision of PES and Social Services</p>	<p>be particularly advantageous for two-earner households, a wider tax reform is still under consideration. Examples are reported of financial incentives for employers to hire women and for activities in the educational sector to encourage girls and women to enrol in STEM fields and employment. While relevant, evidence of uptake and impact is not clear.</p> <p>EMCO and SPC take note of Italy's commitment to improve women's participation in the labour market and are of the opinion that limited progress has been achieved under the CSR. Various efforts taken or planned to facilitate work-life balance and childcare provisions as well as attempts to reduce the tax wedge on second earners should provide input to lowering the gender employment gap. Given the low female employment rate, however, more should be done to develop a comprehensive work-life balance strategy that combines a more efficient tax system with access to care services and measures to reconcile career and family life.</p> <p style="text-align: center;"><i>ALMPs</i></p> <p>In 2019, Italy introduced a minimum income scheme (Reddito di Cittadinanza - RdC) in an effort to improve the integration of active labour market with social policies. Benefits under the scheme are linked to the beneficiaries' commitments to (longer-term) integration into the labour market. Beneficiaries are required to register on a digital platform, to actively seek work and to participate in training courses. Social services are also being strengthened.</p> <p>EMCO and SPC welcome the reported measures as an important effort to lift people out of poverty and to achieve their long-term labour market integration. Since the success of the RdC is dependent on the capacity of the employment and social services to meet the rising demand and reduce poverty and unemployment, further concrete measures to increase that</p>
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Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

<p>CSR 1 Implement fully past pension reforms to reduce the share of pensions in public spending and create space for other social and growth-enhancing spending.</p>	<p>Pensions</p>	<p>April, SPC</p>	<p>capacity are encouraged. In addition, targeted efforts to address the situation of the most vulnerable may be needed. Italy is therefore assessed to have achieved some progress in meeting the requirements of the CSR.</p> <p>The SPC takes note that Italy did not submit a reporting fiche for the pension-related part of its CSR 1. In view of this, the country's progress with regard to this CSR could not be evaluated. The SPC takes note that the proposed assessment in the 2020 Semester Commission Country Report qualifies the implementation as no progress.</p>
CYPRUS			
<p>CSR (part) 2019</p>	<p>Topic thematic review</p>	<p>Date</p>	<p>Conclusions</p>
<p>(...) reinforce outreach and activation support for young people.</p>	<p>Youth</p>	<p>16 October</p>	<p>The implementation of the Youth Guarantee in Cyprus is advancing. Improvement has been particularly noted in reinforcing the public employment services, in particular in terms of improvements in their effectiveness and in further strengthening activation. Improved cooperation and partnerships for the youth outreach measures are acknowledged, including improved cooperation with social services. Partnerships have been strengthened and new partnerships have been developed through the implementation of two projects within the delivery of the Youth Guarantee, namely the Youth Guarantee Peer Support to Cyprus Project and the Outreach Project. The permanent reinforcement of public employment services for maintaining a sustainable service constitutes a challenge, as well as it does the exchange of information between the</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

<p>Complete reforms aimed at increasing the effectiveness of the public employment services and reinforce outreach and activation support for young people.</p>	<p>ALMPs and PES reforms</p>	<p>21 January</p>	<p>partners involved in the implementation of the Youth Guarantee and the further reduction of the high levels of NEETs.</p> <p>A number of traineeships have been introduced and planned and the monitoring and evaluation tool to monitor the results are still at the early stages of operation. The offer of traineeships and the compliance with the requirements of the Quality Framework for Traineeships could be improved.</p>
<p>CSR 3: Deliver on the reform of the education and training system, including teacher evaluation, and</p>	<p>Education, skills, VET and adult</p>	<p>10 March (with EDUC)</p>	<p>The labour market situation in Cyprus is improving. Cyprus has improved its ALMPs process by working on setting up a system of targets and by making use of mutual assistance projects to improve the effectiveness of PES.</p> <p>Capacity of the PES has been strengthened with additional 30 temporary staff. However, their contracts are expiring in the second part of 2020 raising concerns regarding the sustainability of this approach. Strengthening outreach, mapping, profiling and counselling activities, in particular for NEETs, and improving operational processes using IT tools were among the measures taken by Cyprus. Mapping of NEETs exercise was repeated as well as subsidized employment measures were further developed.</p> <p>Efforts would need to continue for increasing the coverage of ALMPs, especially for NEETs and other vulnerable groups such as GMI recipients, taking full benefit from the results of the ALMPs monitoring and evaluation tool as well as the results of the established employers' online platform and for systematically using individual action plans. Furthermore, efforts for permanent staffing should continue in order to safeguard the strengthening and sustainability of PES.</p>
<p></p>	<p></p>	<p></p>	<p>Cyprus has implemented reforms to foster high-quality public early childhood education and care. Participation in early childhood education</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

<p>increase employers' engagement and learners' participation in vocational education and training, and affordable childhood education and care.</p> <p>CSR 4: Focus investment-related economic policy on [...] digitalisation, including digital skills [...]</p>	<p>learning</p>	<p>and care is approaching the EU average but public ECEC is underfunded and parents increasingly rely on informal settings or private institutions.</p> <p>Steps have been taken to reform the VET system and apprenticeship programmes were linked with evening technical school education to make it easier for apprenticeship graduates to gain formal qualifications. The construction of new technical and vocational schools and the expansion and upgrading of some existing ones is underway. VET curricula have been revised in cooperation with employers.</p> <p>Measures to promote adult learning are also ongoing. A multi-company training scheme for the long-term unemployed was expanded to all registered unemployed. A pilot implementation of the national action plan to establish validation of non-formal and informal learning will begin this year. The National Qualifications Authority is now operational.</p> <p>The teaching profession remains attractive and has started to become more competitive, as the government has prioritized merit over seniority by introducing competitive exams. Good working conditions and pay levels and limited alternative job opportunities have sustained the attractiveness of the teaching profession. To raise the quality of teaching, the Cypriot government introduced a reform proposal focusing on teachers' assessment and continuous support for the teaching staff.</p> <p>Digital skills and investment in digital infrastructure need to be further strengthened.</p> <p>EMCO and EDUC take note that Cyprus opted for a light review for CSR 3 and that the conclusions of the 2019 MLS review related to education and training policies remain valid.</p>
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Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

<p>CSR 3: Take measures to ensure that the National Health System becomes operational in 2020, as planned, while preserving its long-term sustainability.</p>	<p>Healthcare</p>	<p>April, SPC</p>	<p>Cyprus is advancing with the introduction of its National Health System – an ambitious reform, aimed at promoting full health coverage, thus addressing existing inequalities among the population. The first phase of the reform, covering outpatient health services has been launched in 2019. The second and final phase, which will cover inpatient care, allied health professional services, ambulance, palliative care and medical rehabilitation services, as well as preventive dental care will be implemented as of June 2020.</p> <p>In addition, Cyprus is taking steps towards the transformation of existing public hospitals into new public legal entities, able to function as independent administrative and financial business units, with the aim of optimizing their functioning and reducing costs.</p> <p>The SPC takes note that the reform of the healthcare system is progressing well and conclude that some progress has been achieved. Cyprus is encouraged to complete the reform, as planned and to monitor closely and evaluate its effects, with focus on sustainability, over the coming years.</p>
LATVIA			
<p>CSR (part) 2019</p> <p>Reduce taxation for low-income earners by shifting it to other sources, particularly capital and property.</p>	<p>Topic thematic review</p> <p>Labour market segmentation and undeclared work, labour taxation</p>	<p>Date</p> <p>18 February</p>	<p>Conclusions</p> <p>Latvia adopted a comprehensive tax reform in 2017 that has come into force gradually since 2018. The tax reform increases the progressivity of the system and includes some shift away from labour taxation but could do more to reduce inequalities. Measures aimed at enhancing tax compliance helped reducing shadow activity.</p> <p>The budget for 2020 demonstrated a strong policy response by bringing the</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

			<p>tax wedge for low-income earners in line with that of other Member States. However, the income inequality remains high and further targeted measures are needed to improve the redistribution through taxes and social transfers. The reform requires a comprehensive monitoring.</p>
<p>Increase the quality and efficiency of education and training in particular of low-skilled workers and jobseekers, including by strengthening the participation in vocational education and training and adult learning.</p>	<p>Education, skills, VET and adult learning</p>	<p>10 March (with EDUC)</p>	<p>Latvia has made efforts to increase the enrolment in vocational education and training (VET) and to improve the employment rate of VET graduates, although both remain below the EU average. Several reforms and initiatives are ongoing to strengthen the VET system, including work-based learning. The focus of these initiatives is on increasing participation, including of adults in VET, expanding work-based learning to the higher education level, continuous professional development for VET teachers and trainers and support for businesses in developing work-based learning schemes.</p> <p>The share of the population with low educational attainment is significantly below the EU average. New initiatives have been launched in the past years, targeting unemployed and employed, persons and young people, fostering employability among the elderly and expanding learning opportunities for adults. These initiatives aim at increasing basic skills, improve transitions to the labour market and provide non-formal adult education.</p> <p>It is considered that, by adopting these measures, Latvia has made some progress in addressing the CSR and EMCO and EDUC are looking forward to their full implementation.</p>
<p>CSR 2: Address social exclusion notably by improving the adequacy of minimum income benefits, minimum old-age pensions and income support for people with disabilities.</p>	<p>Social Protection and Social Exclusion</p>	<p>April SPC</p>	<p>Latvia reports on increasing the minimum income levels for persons with disabilities, who receive disability pension and the state social security benefit, as well as persons in retirement age, who receive the minimum state old age pension. Additionally, the General Minimum Income Level in Latvia was raised. The reported improvements are part of the government-approved plan for <i>Improvement of the Minimum Income Support</i>, which</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

<p>CSR 3 Focus investment-related economic policy on ... the provision of affordable housing ...taking into account regional disparities.</p>	<p>Social Protection and Social Inclusion</p>	<p>April, SPC</p>	<p>entered into force at the start of 2020. However, the plan was implemented only partially and the additional increases foreseen under the plan for 2021 are also uncertain.</p> <p>The SPC welcomes the new measures and encourages Latvia to proceed with the full implementation of the plan. Since the adequacy of benefits in Latvia remains low and since continued actions are needed to address the high risk of poverty or social exclusion, Latvia is assessed to have achieved some progress.</p> <p>To address the lack of affordable housing, Latvia is currently preparing an <i>Affordable Housing Strategy</i>, which will be finalized by 2021. In addition, the 2021-2027 <i>National development plan</i>, currently undergoing an approval process, defines the provision of housing as a key priority. Some of the measures foreseen include construction of new and rejuvenation of existing social housing; wider provision of housing assistance, especially in areas with new job potential; developing financial assistance mechanism for people from disadvantaged background; as well as the establishment of an effective legal framework for the rental market. In addition, an OECD project on affordable housing has been initiated, to support the development of concrete policy instruments by the Latvian authorities.</p> <p>The SPC takes note of the measures planned by Latvia. As these measures are still to be implemented the SPC is of the opinion that Latvia has achieved limited progress. Latvia is hereby encouraged to continue with its efforts to tackle the provision of affordable housing.</p>
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Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

<p>CSR 2 Increase the accessibility, quality and cost-effectiveness of the healthcare system.</p>	<p>Healthcare</p>	<p>April, SPC</p>	<p>In an effort to improve the functioning of the healthcare system, the Latvian Cabinet of Ministers adopted in 2017 a conceptual plan for its reform. Within the framework of the plan, Latvia reports on a number of activities been carried out. These activities aim at developing new health care services and clinical pathways, reducing waiting lists, as well as supporting the ongoing hospital reform. To attract and retain medical personnel, Latvia has increased their remuneration, introduced measures to improve the working conditions across regions, as well as the qualifications of medical personnel. Latvia also reports on measures to rationalize the use of pharmaceuticals, while lowering patients' co-payments for reimbursable medicines.</p> <p>In light of the reported measures, the SPC are of the opinion that Latvia has taken important steps to improve the cost-effectiveness and access to healthcare and has thus achieved some progress addressing the CSR. Since many of the reported measures are still in an early implementation phase, further efforts under the reform are encouraged</p>
LITHUANIA			
<p>CSR (part) 2019</p> <p>Improve quality and efficiency at all education and training levels, including adult learning.</p>	<p>Topic thematic review</p> <p>Education, skills, VET and adult learning</p>	<p>Date</p> <p>10 March (with EDUC)</p>	<p>Conclusions</p> <p>There is a decreasing trend in student population and an issue of an aging teacher population. Improving key competences and relevant skills remains a priority. At only 6.6% in 2018, adult participation in learning remains low.</p> <p>In order to improve quality of education and training, Lithuania continued with its efforts concerning implementation of the reform of initial teacher education, e.g. through concentration at three national training centers and updated teacher training model. Efforts are being made to adapt curricula</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

			<p>and the envisaged merging of education and training institutions are gradually proceeding. In an attempt to increase the attractiveness of the teaching profession, teachers' salaries increased in 2019 compared to 2018 (from EUR 739 to EUR 928). While different efforts made are expected to improve efficiency, impact on overall quality and territorial access to training should be taken into account in further analysis.</p> <p>In 2020, a project funded by the ESF will be launched to promote the involvement of municipalities in the development, coordination and funding of adult education system. Also, a new system to update adult-learning and promote lifelong learning is under preparation. While addressing important part of the CSR, this is only expected to start operating in 2023.</p> <p>Reported efforts are generally steps in the right direction. Given the scale of measures and timing of implementation, full impact is yet to be seen. Continued efforts are encouraged in order to reach all planned objectives.</p>
<p>CSR 1: Address income inequality, poverty and social exclusion, including by improving the design of the tax and benefit system.</p>	<p>Social Protection and Social Inclusion</p>	<p>April, SPC</p>	<p>Lithuania reports on a number of measures to reduce poverty and social exclusion. These include a gradual increase of the child benefit; lump sum benefit for expecting mothers; the introduction of a family card, granting special discounts on goods, services or events for large families or families with children with disabilities; general increase in disability benefits and pensions, combined with targeted supplement for the lowest ones; additional incentives for employers to employ persons with disabilities. In addition, a package of basic services for the family, consisting of a set of psycho-social, early childhood education and care, health and socio-cultural services, aimed at supporting families in urban and rural areas alike has been adopted in 2019.</p> <p>Lithuania also adopted some changes to the Law on Personal Income Tax, but its effect on reducing income inequality is limited. Even though there</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

			<p>were positive changes in 2018, the adequacy of the Lithuanian social safety net has to catch up with decent living standards. The benefits have failed to keep pace with the evolution of salaries, which leads to challenges in terms of adequacy.</p> <p>The SPC takes note of the important steps taken to reduce poverty and social exclusion in is of the opinion that Lithuania has achieved some progress in addressing the requirements of the CSR, but progress in reducing income inequality in particular remains limited. To improve the redistributive power of the system and address income inequality, further changes in the design of the tax and benefit system may be needed</p>
<p>CSR 2: Increase the quality, affordability and efficiency of the healthcare system</p>	<p>Healthcare</p>	<p>April, SPC</p>	<p>In 2019, the Lithuanian authorities approved amendments to the <i>Lithuanian Health Strategy 2014 – 2025</i>, to reflect recommendations by the OECD, suggestions by the Social Partners, as well as to align its efforts to the UN 2030 Agenda. In addition, Lithuania reports that new governance, financing and delivery models have been proposed and adopted last year, but it is unclear at that stage what their overall impact would be.</p> <p>The latest reforms reported by Lithuania include measures to reduce out-of-pocket payments by increasing the affordability of pharmaceuticals, including by providing exemptions for co-payments for the lowest income groups or the elderly; efforts to promote healthier life-style; measures to improve the availability and accessibility of primary health-care; as well as efforts to further rationalize the resources available, in combination with measures to improve the quality of both hospital and primary care.</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

				<p>The SPC takes note of the efforts of the Lithuanian authorities to improve the functioning of the health-care system and are of the opinion that Lithuania has achieved some progress in addressing the requirements of the CSR, especially in regards to improving the affordability and of primary care.</p>
LUXEMBOURG				
CSR (part) 2019	Topic thematic review	Date	Conclusions	
Increase the employment rate of older workers by enhancing their employment opportunities and employability.	Labour market participation of women and disadvantaged groups	17 March	<p>In general, the activity and employment rates are particularly low for older workers.</p> <p>A number of earlier measures are still coming into effect; in 2016 (Reform of the reclassification scheme), 2017 (Reform of early-retirement schemes, 2019 (Launch of pilot project Luxembourg Digital Skills Bridge), PES reform, New coalition agreement. However, since 2019 no new measures address the policy challenge were introduced and a comprehensive strategy promoting active ageing measures and fostering access to training for older workers is not set yet. Early retirement arrangements coupled with financial disincentives to work embedded in the tax and benefit system still contribute to the low employment rate. The government intends to revise and relaunch the bill to Parliament on the age management strategies in firms - submitted in 2014 and still pending.</p> <p>Overall, Luxembourg authorities have continued to implement existing measures in 2019 but a comprehensive strategy that promotes active ageing measures and foster access to training for older workers is still missing.</p>	

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

Focus economic policy related to investment on [...] stimulating skills development [...]	Education, skills, VET and adult learning	10 March (with EDUC)	<p>The average educational attainment of Luxembourg population and workforce is high. While continuing to invest in education and training, focus has now moved to better preparing the workforce for changing patterns in the world of work, including the rapid introduction of digital technology.</p> <p>Various preparatory work, involving a range of stakeholders has been initiated to update the current digital skill strategy. The main objectives are to align training with the skills required in the various economic sectors and to guide people towards the right training throughout their life. An accreditation agency will be created to promote the quality of continuing vocational training and to ensure transparency in the continuing education and training market.</p> <p>A range of financial/tax incentives are in place to encourage companies to invest in further learning. In June 2019, the vocational training reform act was amended to give employees who are not certified for the trade or profession in which they work the opportunity to complete training while staying in employment.</p> <p>Several of the measures are in a preparatory phase and Luxembourg should continue its efforts to address the challenges of the CSR. Initiatives addressing education and training incentives for upskilling and reskilling, in particular the older workers and the low-skilled should be further pursued.</p>
CSR 1: Improve the long-term sustainability of the pension system, including by further limiting early retirement	Pensions	April, SPC	<p>The 2019 Council recommendation is a follow-up recommendation and the SPC takes note that Luxembourg is not reporting on any new measures. The SPC also takes note that the proposed assessment in the 2020 Semester Commission Country Report qualifies the CSR implementation as no progress.</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

HUNGARY				
CSR (part) 2019	Topic thematic review	Date	Conclusions	
<p>Improve the quality and transparency of the decision-making process through effective social dialogue and engagement with other stakeholders and through regular, appropriate impact assessments.</p>	<p>Social dialogue</p>	<p>19 November</p>	<p>EMCO takes note that in Hungary, some actions have been taken, notably to improve the labour market relevance of VET and to support the capacity of social partners, but these have not substantially changed the functioning of social dialogue since the last EMCO review on that topic.</p> <p>Social dialogue in Hungary is taking place through several formations at national level that provide for stakeholder engagement. Nevertheless, no strong tripartite body exists. The weakness of existing structures – the National Economic and Social Council (NESC) and the Permanent Consultation Forum of the Private Sector and the Government (VKF) – does not allow for proper and meaningful social partners' involvement, notably because of its overly broad participation (NESC) and limited range of negotiated topics (VKF). The current institutional setup seems far too broad for focused and concrete social dialogue. It lacks legal arrangements and formalization and seems to be limited to sharing of information from the Government, while allowing for occasional consultation exchanges, but with often-insufficient time for reaction. Overall, the involvement of social partners in reforms and policies is limited to information sharing.</p> <p>In that regard, EMCO continues to carry-on its assessment from last year that the institutional framework of social dialogue needs to be further developed and adjusted to ensure better involvement of the social partners in the policymaking processes. Regular formal consultations of social partners on national and EU level policies should be organised.</p>	
<p>Continue the labour market integration of the most vulnerable groups in particular by upskilling.</p>	<p>Labour market participation of</p>	<p>18 March</p>	<p>Despite favourable trends in the Hungarian labour markets, not all groups benefited equally from the expansion. While labour market outcomes for</p>	

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

	<p>women and disadvantaged groups</p>	<p>various vulnerable groups have improved, the gaps in employment rates by gender and skills groups remain wide in EU comparison.</p> <p>EU funded programmes, such as Path to labour market and Youth Guarantee Active Labour Market Programme, seek to raise employability through mainly wage subsidies and training. Transitional Employment Programmes (since 2017) offer mostly trainings for long-term unemployed while the PES 'Supporting the adaptation to structural changes' programme offers support to employers for training people affected by or at risk of redundancy.</p> <p>To support the employment of women, in 2019 measures were taken to offset the extra financial costs of private nurseries. Childcare provision has thus increased but remains well below the Barcelona target. In 2020 incentives for mothers with small children to take part in a training is introduced ('scholarship'). The target group of entrepreneurship programmes and traineeship programme has been broadened with people with disabilities and there are legislative changes incentivising the employment of people with disabilities.</p> <p>The government launched an Economic Recovery Programme with a pilot project aiming to support the disadvantaged settlements and facilitate transition of workers from public works to the primary labour market. Despite the comprehensive support provided in this project, activation strategies in general do not include the provision of individualised and complex services.</p> <p>There is scope to further improve the targeting and sustainability of active labour market policies and room for more training for low-skilled and for those furthest away from labour market, including more equal access for the Roma population. Some mainstream programmes are being amended but more should be done to offer tailor-made measures to the most vulnerable individuals, including basic training as well as health and psychological services.</p>
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Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

<p>Improve education outcomes and increase the participation of disadvantage groups, in particular Roma, in quality mainstream education.</p>	<p>Education, skills, VET and adult learning</p>	<p>10 March (with EDUC)</p>	<p>While taking note that Hungary opted for a light review and are not reporting on any major new measures, overall, the conclusions of 2019 still apply.</p> <p>There are different ongoing measures to combat early school leaving and implementation of legislative changes to prevent the segregation of disadvantaged pupils in the education system. Reported developments in students at risk of drop-out along with desegregation action plans by a number of schools in 2019 only come a small way to meet related challenges faced by the education and training system in Hungary. Considering possible multiple causes and time needed to yield results, impact on education outcomes may take long time to display. Continued efforts are needed to increase participation of disadvantaged pupils, in particular Roma, in inclusive mainstream schools and to improve the outcomes of the education and training system.</p> <p>Legislative changes to the VET are intended to raise quality and attractiveness. Attention should be made to avoid potential narrowing of possibilities to switch between professions and pathways once enrolled.</p>
<p>Continue the labour market integration of the most vulnerable groups, in particular through upskilling and improve the adequacy of social assistance and unemployment benefits.</p>	<p>Social Protection and Social inclusion; Integrated provision of PES and Social Services</p>	<p>May, EMCO-SPC</p>	<p>The 2019 Council recommendation is a follow-up recommendation. EMCO and SPC take note that Hungary is not reporting on any new measures. The Committees recall that last year SPC concluded that the measures reported at the time, while welcome, do not address all aspects of the CSR and therefore Hungary has achieved limited progress under the 2019 Semester cycle. The Committees also take note that the Commission's assessment in the 2020 Semester Country Report qualifies the CSR implementation as no progress.</p>
<p>CSR 2 Improve health outcomes by supporting preventive health measures and strengthening primary healthcare.</p>	<p>Healthcare</p>	<p>April, SPC</p>	<p>Hungary reports on certain measures, with some potential to address the requirements of the CSR. These include the implementation of colorectal cancer screening, several public dietary and physical education activities, as</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

			well as modifications of several government decrees. Given the extent of the challenge, with preventable and treatable mortality rates amongst the highest in the EU, the SPC considers that additional actions are needed to address the high incidence of behavioural risk factors, such as tobacco consumption and use of alternative tobacco products, harmful use of alcohol, lack of physical activity and unhealthy diet among the Hungarian population. Further measures are also needed to strengthen the primary health sector, as overall health care provision remains excessively hospital-centric and primary care does not yet play a sufficiently important role ² . Therefore, limited progress has been achieved with the implementation of the CSR.
MALTA			
CSR (part) 2019	Topic thematic review	Date	Conclusions
Focus investment-related economic policy on [...] and inclusive education and training.	Education, skills, VET and adult learning	10 March (with EDUC)	Investing in the improvement of education and enhancing monitoring and assessment represent key priorities. Although improved and positive results have been recorded, educational outcomes and attainment rates are generally lower than the EU average, highlighting a challenge regarding the efficiency and effectiveness of spending. Reducing early school leaving remains a priority. Increased participation in

² See analysis in the 2020 Semester Country Report for Hungary, p. 55

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

			<p>early childhood education and care and the new secondary system may help reduce the number of early school leavers. However, PISA results confirm that performance varies according to the type of schools a pupil attend. It is important to continue promoting better outcomes for all, including through the ongoing reforms.</p> <p>As of September 2019, through the ‘MyJourney’ reform, secondary school students are allowed to choose between general, vocational or applied subjects, as part of the core curriculum. The aim is to respond to different educational needs and to increase the attractiveness of non-academic paths. Measures are being taken to establish partnerships with post-secondary and vocational institutions and industry to provide quality education and training to all students.</p> <p>With regard to skills mapping and skills anticipation, there are initiatives in the area of green jobs contributing to a green transition.</p> <p>Some steps have also been taken to improve poor student outcomes, which are highly correlated with their socioeconomic status and the type of school attended. Thus, Malta has been implementing a policy on inclusive education in schools. The aim is to guide teachers, school heads and all other stakeholders in implementing equitable opportunities and inclusive practices in public schools. The recent measures are steps in the right direction. However, more efforts should be made to ensure an effective implementation to achieve higher inclusion and better education outcomes.</p> <p>While participation in tertiary education is increasing, ongoing initiatives highlight commitment for better labour market relevant outcomes.</p>
<p>CSR 1: Ensure the fiscal sustainability of the healthcare and pension systems, including by restricting early retirement and adjusting the statutory retirement age in view of expected gains in</p>	<p>Pensions</p>	<p>SPC, April</p>	<p>Over the recent years, Malta has introduced a range of measures to promote longer working lives. As a result, the gap between the duration of working lives of Malta and the European average has decreased from 5 years in 2008 to less than 4 months in 2018. Over the same period, the</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

<p>life expectancy.</p>			<p>employment rate of older workers has also increased significantly. The adequacy of the average level of pensions in Malta is in line with the European average, while spending on pensions remains among the lowest in the EU. Still, recent projections³ show that the rate of increase of expenditure on pensions by 2070 will be one of the highest in Europe.</p> <p>More recently, the Maltese government established a Pension Strategy Group tasked with the preparation for the 2020 Strategic Review of the state of public pensions together with recommendations for achieving further adequacy, sustainability, and social solidarity. The review will be presented at the Parliament by the end of 2020.</p> <p>The SPC recognizes Malta's achievements in increasing the employment rate of older workers in past years. In view of the still expected sharp increase in pension expenditure, and since an answer to the upcoming report from the Pension Strategy Group is yet to be formulated, the SPC is of the opinion that MT has achieved no progress in addressing the requirements of the CSR.</p>
<p>CSR 1: Ensure the fiscal sustainability of the healthcare and pension systems, including by restricting early retirement and adjusting the statutory retirement age in view of expected gains in life expectancy.</p>	<p>Healthcare</p>	<p>April, SPC</p>	<p>As part of the National Health System Strategy of 2014, Malta has previously introduced a number of sectoral strategies with the aim of improving the health outcomes for the general population. Two further policy documents are in the process of being developed: one to guide healthcare service development and another to guide healthcare workforce planning. Malta is also making efforts to improve the sustainability of its healthcare system by investing in Health promotion and prevention, in the development of</p>

³ EPC-EC: *The 2018 Ageing Report. Economic and budgetary projections for the 28 EU Member States (2016-2070)*, Publications Office of the European Union, Luxembourg.

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

			<p>additional primary care capacity and the introduction of an eHealth system.</p> <p>The SPC acknowledges that Malta is in the process of making further improvements in its healthcare system. The reported measures have the potential to limit unjustified use of hospital admissions and the avoidable use of hospital emergency care, but their impact on the long-term sustainability of the healthcare system is not yet clear. Malta is therefore assessed to have achieved some progress under this part of the CSR.</p>
NETHERLANDS			
CSR (part) 2019	Topic thematic review	Date	Conclusions
<p>CSR 1: [...] Implement policies to increase household disposable income, including by strengthening the conditions that support wage growth, while respecting the role of social partners. [...]</p>	<p>Labour market segmentation and undeclared work, labour taxation</p>	<p>18 February</p>	<p><i>Wages</i></p> <p>The Government has reiterated the call for higher wage growth, collective bargaining plays a significant role in Netherlands and there is some labour market tightness observable with unemployment rates decreasing and with job growth continuing. Nominal wage growth is accelerating, however it remains roughly in line with the rising inflation rate, thus resulting in stagnating real compensation and real wage growth remaining flat. The lagging behind wage developments may be partly due to the persisting relatively large share of temporary employees and self-employed (in particular those without employees), and for stagnating real wages recent VAT tax shifts might have played a role as well. However, more substantial increases in disposable household income and an increasing wage growth are expected for 2020.</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

<p>CSR 2: Reduce the incentives for the self-employed without employees, and tackle bogus self-employment.</p>			<p><i>Labour market</i></p> <p>Concrete steps have been taken and measures have been proposed in view of tackling distinct institutional drivers favouring the use of self-employed as self-employment continued to rise steadily. A number of ideas and proposals have been suggested by the Government, such as the introduction of higher tax credits as well as a minimum tariff for self-employed, the gradual decrease of tax deduction and possible improvements of the social coverage for self-employed. For example, it is planned to introduce a compulsory disability insurance for self-employed with employees. An online tool to determine the work relationship that will be coupled with more enforcement is in preparation currently. However, apart from clarifying the criterion ‘under the control and direction’ (‘gezagsverhouding’) as of January 2019 and the gradual reduction of the tax deduction for self-employed from 2020 until 2028, no further measures have been adopted yet or sent officially to Parliament.</p>
<p>Strengthen comprehensive life-long learning and upgrade skills in particular of those at the margins of the labour market and the inactive.</p>	<p>Education, skills, VET and adult learning</p>	<p>10 March (with EDUC)</p>	<p>Overall participation in adult learning in The Netherlands is high, though lower among low-skilled people, increasing the risk that their skills become outdated. Since the 2016 reform of the accreditation procedure for prior learning, labour market and education routes have been separated. The demand for high- and medium-skilled workers substantially exceeds labour supply. Employers play a vital part in investing in the upskilling of employees. Though the gap in educational attainment between the foreign and the native-born population has been closing at secondary level, it remains significant at tertiary level.</p> <p>The Dutch government plans to introduce individual learning accounts to foster investment in skills. Moreover, the new lifelong learning strategy adopted in October 2018 aims at giving more ownership to individuals over their training, by introducing an individual personalized learning budget, ‘Stimulus for labour market participation’ (STAP / Stimulans Arbeidsmarktpositie), up to a maximum amount of € 1000. Additional</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

<p>CSR 2: Reduce the incentives for the self-employed without employees, while promoting adequate social protection for the self-employed, and tackle bogus self-employment</p>	<p>Social Protection and Social Inclusion</p>	<p>April, SPC</p>	<p>policies are put in place to help people from the groups who participate less in lifelong learning and/or lack sufficient basic skills, by providing medium and low-skilled workers as well as inactive people with personalized guidance, counseling service and/or basic skills training.</p> <p>The initiated programme “Further Integration into the Labour Market (2018-2021)” (VIA) aims to improve the labour market participation of people with a migrant background. One of its main features consists of the general framework which has been developed throughout multiple pilot projects focusing on inclusive education.</p>
<p>The Dutch government has announced a number of measures aimed at increasing social protection coverage for the self-employed. In 2019, the government and the social partners agreed to introduce mandatory disability insurance for the self-employed. Following the Social Partner agreement on the exact form of this insurance, a government reaction is expected before the summer of 2020. . In addition, possibilities to increase complementary pension coverage for the self-employed on a voluntary basis are being examined., Furthermore, an internet consultation has been launched with respect to draft proposals to introduce a general minimum hourly rate for the self-employed without employees, in combination with evaluating the opt-out of payroll taxes and the introduction of different obligations for those self-employed at higher wage levels. The possible follow-ups currently being scrutinized by the government. Netherlands is also making efforts to ensure that the self-employed are sufficiently well-informed to make a choice how to protect themselves against commercial or personal risks. Actions to that effect include development of new web tools aimed to provide clarity of the type of employment relationship, as well as to facilitate the access of the self-employed to the insurance market.</p>			

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

			<p>The SPC takes note of the announced intended measures. As those measures are currently in their initial phase, the committee considers that Netherlands has made limited progress in the past year to promote adequate social protection for the self-employed.</p>
<p>CSR 4: Ensure that the second pillar of the pension system is more transparent, inter-generationally fairer and more resilient to shocks</p>	<p>Pensions</p>	<p>April, SPC</p>	<p>In 2019, the Dutch government reached an agreement with the Social Partners about the outlines of a future pension system. A steering group, tasked with refining the reform details is being created and legislative process implementing the agreement is expected to start in 2021, with the new system gradually being phased in from 2022. Some of the major elements of the agreement include modernizing the structure of the second pillar pensions contracts; easing of the increase in the legal retirement age in the state pension and; introducing early retirement options for workers in demanding jobs. In addition, a mandatory disability insurance for the self-employed will be introduced, alongside with measures to facilitate their access to the existing pension schemes.</p> <p>With regards to the second pillar (supplementary pension schemes), the Netherlands reports on its intention to abolish the uniform pension premium system, which currently benefits older employees more. Under the new system, younger employees, whose premiums have longer investment horizons, will be entitled to a higher accrual rate. In addition, new pension contracts will be introduced for the second pillar pensions, which will allow the beneficiaries further individual flexibility.</p> <p>The SPC welcomes the agreement reached, which has the potential to address key challenges in the second pillar of the Dutch pension system. As the implementation of other important elements of the agreement is still</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

					ongoing, the SPC considers that Netherlands has achieved <i>some progress</i> in addressing the requirements of the CSR.
AUSTRIA					
CSR (part) 2019	Topic thematic review	Date	Conclusions		
Support full-time employment among women, including by improving childcare services, and boost labour market outcomes for the low skilled, in continued cooperation with the social partners.	Social dialogue	19 November	Austria has one of the strongest social dialogue systems in Europe. The existing legal and institutional framework for tripartite social dialogue ensures the involvement of social partners in policy-making and allows them to receive feedback from the government. However, the previous government weakened the role and the importance of the social partners by not involving them fully in the design and implementation of certain policy measures in the areas of social insurance and assistance according to the legal provisions on social dialogue. Therefore, it is important to ensure that the practices of the former government are not repeated again in the future and that social partners are fully involved according to the existing legal provisions.		
Shift taxes away from labour to sources less detrimental to inclusive and sustainable growth.	Labour market segmentation and undeclared work, labour taxation	18 February	The Government had previously undertaken targeted and ambitious measures to reduce the tax burden for low-wage earners, second earners and families with working parents with the aim to increase incentives for working longer. The Family Bonus + is an important reform measure and a relevant response to the CSR. The overall tax structure remained unchanged and there is still scope for shifting the tax burden so that the taxes become more growth-friendly. The Government has now decided on several measures towards a future-oriented strategy ('Easing the tax payer's burden') to support environmental sustainability and social fairness that will encompass 2 stages of reforms whereby it is planned to lower income tax rates and to increase the Family Bonus+ and child benefits in the coming		

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

<p>Support full-time employment among women, including by improving childcare services, and boost labour market outcomes for the low skilled.</p>	<p>Labour market participation of women and disadvantaged groups</p>	<p>17 March</p>	<p>years.</p> <p>Austrian female employment rate (20-64 years old) is above the EU-28 average. While women's part-time employment rate declined for the first time in 2018, it remains very high. More than 80% of the people working part-time are women.</p> <p>Reasons for part-time employment for women are mainly care obligations (as opposed to those of men, with school or vocational education reasons). While the numbers of places and quality in early childhood education has increased, the Barcelona target for under 3 year olds is not met yet, coverage varies between Länder and mostly does not allow full-time employment.</p> <p>Several measures have been recently introduced, such as a PES-run women's labour market policy programme ('Returners with a future') – with tailor-made support and women-specific advice which contribute to more gender equality in the labour market. The focus of funding is on raising qualifications to better match demand and new employment opportunities for women.</p> <p>While these important measures have been introduced to create more opportunities and incentives for women to (re)enter the labour market, it remains to be seen to which extent it will significantly increase the full-time employment of women.</p>
<p>Raise the levels of basic skills for disadvantaged groups, including people with a migrant background.</p>	<p>Education, skills, VET and adult learning</p>	<p>10 March (with EDUC)</p>	<p>The Austrian government has continued to implement a comprehensive education reform agenda, which contains measures addressing the specific needs of people from disadvantaged groups or with a migrant background. These measures have a strong focus on language learning from an early age. Reforms are introducing more structured and standardized pedagogical approaches, such as language assessment instruments and new access criteria for transition to primary school. Moreover, the Adult Education Initiative aims to improve access to education for socio-economically</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

<p>CSR 1 Ensure the sustainability of the health, long-term care, and pension systems, including by adjusting the statutory retirement age in view of expected gains in life expectancy.</p>	<p>Long-term care, healthcare</p>	<p>April, SPC</p>	<p>disadvantaged persons and to increase their level of education. It enables adults who lack basic skills or who never graduated from lower secondary education to continue and finish their education free of charge.</p> <p>While participation in early childhood education and care is increasing, its quality and inclusiveness may need to be further improved, especially for children with a migrant background. In an effort to address this issue, the Austrian government has concluded an agreement with the provinces that established common educational goals encompassing early childhood education including strong competences in German language and a definition of common values.</p> <p>While noting the measures presented, Austria is encouraged to continue with their full implementation.</p> <p>To ensure the long-term sustainability of the healthcare system, Austria maintains the application of its multiannual target-based health governance approach, ‘<i>Zielsteuerung-Gesundheit</i>’, which was first introduced in 2012, and confirmed in 2017 until 2021. Under the approach, the maximum rate of annual growth in public healthcare expenditure is being reduced from 3.6% in 2017 to 3.2% in 2021. Austria is also taking measures to strengthen the provision of primary health care, with a view to enhance the quality and effectiveness of outpatient care and reduce the high hospitalisation rates in the country. Additionally, the current Austrian government programme focuses on increased digitalization in the sector of health care.</p> <p>With regards to long-term care, a number of previously available measures have been strengthened recently. This includes increases of the long-term allowance; various measures to ensure the quality of home care, as well as a recently commissioned study on the Nursing Staff Requirements in Austria for the year 2030. In addition, the Austrian federal government announced</p>
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Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

			<p>in 2020 a set of planned measures to ensure the quality, efficiency and sustainability of the Austrian care provision system.</p> <p>In view of the information provided in the reporting fiche and in the country report, the SPC is of the opinion that Austria has taken positive steps to increase the efficiency in the healthcare sector and has therefore achieved some progress for that part of the CSR. In the area of long-term care, Austria has achieved limited progress, as the measures, announced in 2020 are yet to materialize.</p>
<p>CSR 1 Ensure the sustainability of the health, long-term care, and pension systems, including by adjusting the statutory retirement age in view of expected gains in life expectancy.</p>	<p>Pensions</p>	<p>April, SPC</p>	<p>The 2019 Council recommendation is a follow-up recommendation and the SPC takes note that Austria is not reporting on any new measures. The SPC also takes note that the proposed assessment in the 2020 Semester Commission Country Report qualifies the CSR implementation as limited progress.</p>
POLAND			
CSR (part) 2019	Topic thematic review	Date	Conclusions
<p>Improve the regulatory environment, in particular by strengthening the role of consultations of social partners and public consultations in the legislative process.</p>	<p>Social dialogue</p>	<p>19 November</p>	<p>All sides agree on the importance of involving the social partners in policy-making. Poland has an institutional framework for tripartite social dialogue in place. However, there were concerns expressed regarding the involvement of social partners in the design and implementation of policy reforms. The new government announced an enhanced implementation of the provisions of the legislative acts on social dialogue that should ensure proper consultations of the social partners, although there is room for</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

			<p>improvement.</p> <p>Challenges remain in what concerns the timeliness of the consultations and the deadlines by which the social partners should submit their written responses to the policy proposals of the government. The capacity of the social partners is also a concern. Therefore, there is a need to further develop bipartite social dialogue and to further work on the capacity-building of social partners.</p>
<p>Remove remaining obstacles to more permanent types of employment.</p>	<p>Labour market segmentation and undeclared work, labour taxation</p>	<p>18 February</p>	<p>Overall, the labour market situation is steadily improving with high wage growth and labour shortages on the rise. Despite the strong decrease of the share of temporary employment, it is still high. A few new initiatives have been presented and monitoring of previous reforms are ongoing.</p> <p>Noting the very good situation on the Polish labour market and the discontinuation of the major labour law reform, there is a substantial need for further actions supporting employment on open-ended contracts and limiting the share of temporary employment.</p>
<p>Foster quality education and skills relevant to the labour market, especially through adult learning.</p>	<p>Education, skills, VET and adult learning</p>	<p>10 March (with EDUC)</p>	<p>It is noted that Poland opted for a light review and are not reporting on any major new measures. Overall, the conclusions of 2019 therefore still apply.</p> <p>Poland has adopted new measures in initial teacher education; however, their effective implementation and impact will need to be monitored. Despite the 2019 salary increases, the attractiveness of the teaching profession remains limited. Poland continues efforts to address up-skilling amongst its labour force and to increase the uptake of adult learning and training with the involvement of a wide range of actors. While note is taken of initiatives at regional and sub-regional level to support partnerships for skills and adult learning, attention should still be paid to the systemic nature, effective coordination and sustainability of policy response to adult learning policies. Accordingly, new priorities for the National Training Fund spending in 2020 to support for lifelong learning in key sectors and the acquisition of digital competences are welcome. The vocational education and training</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

<p>Take steps to increase labour market participation, including by improving access to childcare and long-term care.</p>	<p>Labour market participation of women linked to long-term care and early childhood education and care</p>	<p>May, EMCO-SPC</p>	<p>reform is being implemented, but it is still too early to assess its impact on improving labour market relevance.</p> <p>EMCO and SPC take note that Poland opted for a light review and are not reporting on any major new measures. Overall, the conclusions of 2019 therefore still apply.</p> <p>Based on this, EMCO and SPC finds that certain additional steps have been taken, but these do not constitute a full policy response as shown by the choice of a light review. Poland should strengthen efforts to expand the provision of early childhood education and care. From 2020, some initial steps are planned to address unequal access to long-term care. Efforts to tackle the challenges should be continued. In particular, further measures are needed to support the labour market participation of the low-skilled, older workers, women and persons with disabilities. EMCO and SPC take note that the Commission's assessment in the 2020 Semester Country report qualifies as limited progress.</p>
<p>CSR 2: Ensure the adequacy of future pension benefits and the sustainability of the pension system by taking measures to increase the effective retirement age and by reforming the preferential pension schemes</p>	<p>Pensions</p>	<p>April, SPC</p>	<p>Poland reports on several measures to improve the adequacy of its pension system. These include a planned gradual increase of the benefit amount and reform of the pension indexation rules to support the recipients of the lowest pensions. An additional annual pension benefit to all pensioners is being introduced in 2020. . Poland also reports on a proposed measure to encourage farmers to transfer from the preferential to the general pension system. In addition, Poland continues with its efforts to increase the awareness of the general population of the positive impact of longer work life.</p> <p>No other measures to increase the effective retirement age and to reform the preferential pensions schemes are reported. In light of the scale of the sustainability and adequacy challenges to the pension system in Poland, and</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

			<p>since the majority reported measures are yet to be adopted, the SPC is of the opinion that no progress has been made to address the requirements of the CSR.</p>
<p>CSR 3: Focus investment-related economic policy on innovation, transport, in particular on its sustainability, digital and energy infrastructure, healthcare and cleaner energy, taking into account regional disparities</p>	Healthcare	April, SPC	<p>Poland reports on its plans to gradually increase the investment in health care in the coming years, as well as to improve the quality of medical services and increase the supply of care in less well served regions. In particular, Poland will revitalize and expand the specialist institute for treatment of cancers in Warsaw. In addition, among the actions taken to address the shortage of medical and paramedical personnel, Poland reports on commencing expansion and modernization of the learning facilities in Poznan and Szczecin. Several legislative measures, which aim to eliminate the oversupply of medical services; to adapt investments in the healthcare sector to the actual needs; and to allow forward-looking development of local provision of healthcare services, consistent with health needs are currently in the legislative process.</p> <p>The SPC acknowledges the efforts of the Poland to address the requirements of the CSR. As most of the reported measures are in their early stages and the anticipated effect is yet to materialize, progress is evaluated as limited.</p>
PORTUGAL			
CSR (part) 2019	Topic thematic review	Date	Conclusions
Adopt measures to address labour market segmentation.	Labour market segmentation and	18 February	Portugal's labour market dynamics have been positive. Portugal has made labour market segmentation reduction a national priority and has made

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

	undeclared work, labour taxation		<p>welcome progress in addressing the CSR on labour market segmentation. There is a stronger social dialogue and the government has involved social partners in several recent legislation amendments.</p> <p>New ALMPs have been introduced with measures to transform temporary contracts into permanent one (such as CONVERTE+, focusing on vulnerable groups), recruitment and better training. Particular action against segmentation in the public sector has been taken (e.g. PREVPAP). As some of the legal amendments implemented may have an impact in the share of temporary contracts only in the medium-term, this requires a continuous monitoring of the situation, notably on the type and amount of jobs created.</p> <p>Increasing the financial resources available to implement specific ALMP measures could prove important to amplify the coverage of measures taken and therefore contribute to a faster and significant decrease in the share of temporary contracts, currently among the highest in the EU.</p>
<p>Improve the skills level of the population, in particular their digital literacy, including by making adult learning more relevant to the needs of the labour market. Increase the number of higher education graduates, particularly in science and information technology.</p>	Education, skills, VET and adult learning	10 March (with EDUC)	<p>While continuing to improve, Portuguese skills levels remain below the EU average. The government has made it a national priority to increase the skills level of the adult population, including digital literacy.</p> <p>Under the framework of the Government National Digital Competences Initiative e.2030 (“Portugal INCoDe.2030”), more efforts are under way. The Partnerships for Digital Requalification offer ICT skills and tools for unemployed people with higher qualifications, whose competencies are outdated. The Digital Skills & Jobs initiative will include a training program for the (re)qualification of active adults in the digital area. While still in an early stage, the aim is to cover up to 3 000 trainees in its first year of implementation. In 2020, various training courses will be developed as part of The Artificial Intelligence National Strategy and the National Adult Literacy Plan is expected to be launched.</p> <p>EMCO and EDUC welcome the strategic approach taken by Portugal, with a range of targeted programmes and initiatives developed under the digital</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

<p>CSR 2: Improve the effectiveness and adequacy of the social safety net.</p>	<p>Social Protection and Social Inclusion</p>	<p>April, SPC</p>	<p>skills framework of INCoDE.2030. The Qualifica Programme ongoing since 2017 continues to help raise the level of qualifications of the adult population but needs to improve its reporting results. While important progress is made, more efforts will be needed if the ambitious targets are to be met. More of the reported initiatives look promising, but given the early stage, their impact is not yet known. In order to maximize the significant investment in education and training, it will be key to monitor the results and assess the impact of the measures.</p> <p>EMCO and EDUC acknowledge the variety of policy measures being implemented by Portugal to widen and ease access to higher education. Since the number of higher education graduates remains low, notably in science and information technology, a close follow up on the effectiveness and impact of the new measures is essential.</p> <p>Portugal's response to the requirements of the CSR is being implemented along three strategic axes of intervention: i. improving the coverage of social protection benefits; ii. improving access to quality services; and iii. enhancing the effectiveness and transparency of the social security system.</p> <p>Measures under the first axis include targeted financial support for low income families in the form of Social Inclusion Income (RSI); extraordinary increase to low pensions; extension of the solidarity supplement for the elderly (CSI); increased coverage and amount of benefits for children and families, including the extension of PSI to children with disabilities; as well as enlarged protection for the unemployed, alongside measures to extend social protection of the self-employed and those in atypical jobs.</p> <p>Under the second axis (enhanced access to quality social services) Portugal reports on already implemented and on some planned measures to improve the coverage of childcare, long-term care and specific care for the elderly,</p>
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Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

			<p>including measures to support the informal care givers and the persons cared for, by granting them a set of rights and establishing support measures.</p> <p>Finally, under the third axis, the Portuguese government reports on its plan to increase the effectiveness and transparency of the social security system by setting up a wide range of measures and digital tools to promote greater proximity to its citizens, businesses and public administration.</p> <p>The presented measures are welcomed as appropriate and well planned, with positive impact expected to materialize in the longer term. Nevertheless, the adequacy and poverty reduction capacity of social transfers (other than pensions) remain comparatively low . Portugal is therefore assessed to have achieved some progress in improving the effectiveness and adequacy of the social safety net. Portugal is encouraged to maintain its reform efforts.</p>
<p>CSR 1: Improve the quality of public finances by prioritising growth-enhancing spending while strengthening overall expenditure control, cost efficiency and adequate budgeting, with a focus in particular on a durable reduction of arrears in hospitals.</p>	<p>Healthcare</p>	<p>April, SPC</p>	<p>Portugal reports a significant increase over the past 4 years in the funding available for its national healthcare system. Important steps were also taken to strengthen the overall expenditure control notably through increased central purchasing and uptake of generics and biosimilars. Portugal has further established a Mission Structure for the Sustainability of the Health Budgetary Programme specifically to monitor the financial performance of the health system and propose measures to enhance resilience and sustainability including on the recurrent issue of hospital arrears. In that endeavour, a New Hospital Management Model, which would provide greater autonomy is being introduced to a of group hospitals.</p> <p>Despite the significant measures undertaken, levels of hospital arrears remain elevated. Their containment is partially attributed to sizeable ad-hoc</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

				clearance measures at the end of each year and more efforts seem to be required to tackle the root causes of the persistently high arrears ⁴ . To this effect, sizeable increase in the health budget has been approved in the 2020 budget, the effects of which will need to be assessed throughout the year. The SPC acknowledges that Portugal is taking measures to address the requirements of the CSR, but note that further effort is needed to reduce the accumulation of arrears in hospitals more permanently. Portugal is therefore assessed to have achieved limited progress .
ROMANIA				
CSR (part) 2019	Topic thematic review	Date	Conclusions	
Improve the functioning of social dialogue.	Social dialogue	19 November	In Romania, institutional framework of social dialogue is in place at central, sectoral and country level. Recently, actions have been taken to strengthen the relationship with the Economic and Social Council, as well as to improve the efficiency of the National Tripartite Council for Social Dialogue. The Social Partners have been encouraged to increase their involvement in the European networks and strengthen cross-border cooperation. The Romanian authorities also report on having diversified the consultation topics in social dialogue structures at central level. Despite those efforts, the 2019 EMCO Social Dialogue review revealed that the functioning of social dialogue has not improved since last year and that the existing institutional framework does not seem to be effectively utilised in Romania. EMCO underlines the need to strengthen the capacity and role of social partners in policy making. The proposed changes to the social	

⁴ See analysis in the 2020 Semester Country Report for Portugal, p. 49

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

			<p>dialogue law should be advanced, while taking into account the ILO's recommendations. Improvement is also needed on the feedback provided by the government on social partners' proposals for policies and reforms. Further support to access ESF by social partners is also encouraged.</p>
<p>Ensure that the minimum wage is set on the basis of objective criteria, consistent with job creation and competitiveness.</p>	<p>Labour market segmentation and undeclared work, labour taxation</p>	<p>18 February</p>	<p>There have been increases in the minimum wage and there is a differentiated minimum wage in Romania for those with higher education and in the construction sector since 2019. An "Impact analysis on the minimum wage for 2020" was carried out by proposing 3 scenarios whereby the one accepted has been to take into account the inflation rate and the real increase in labour productivity and not introducing a suggested corrective mechanism. The Government has thus taken steps to partially address the challenges behind the CSR by carrying out the above mentioned impact analysis. Further efforts by introducing a regular transparent and predictable mechanism for future minimum wage increases, based on comprehensive ex-ante and ex-post impact assessments as well as a continued meaningful involvement of social partners, would be important.</p>
<p>Improve the quality and inclusiveness of education, in particular for Roma and other disadvantaged groups. Improve skills, including digital, in particular by increasing the labour market relevance of vocational education and training and higher education.</p>	<p>Education, skills, VET and adult learning</p>	<p>10 March (with EDUC)</p>	<p>Romania took some measures to respond to the CSR, mainly by continuing or expanding policies adopted in previous years. The implementation of the early warning mechanism for early school leaving has started as a pilot phase in a number of educational institutions. It is however important to ensure a quick roll-out of the mechanism at a national scale, including by providing the necessary integrated support services to children and by making full use of the available EU funding.</p> <p>Some measures were also taken to ensure equal opportunities for pupils belonging to vulnerable groups, focusing on Roma minority students and from socio-economically disadvantaged communities, but educational attainment remains a concern. However, investment in education and training remains low in comparison with the EU average and funding mechanisms to support equity are weak. Additional measures are needed to increase the quality of teaching and the inclusiveness of education,</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

<p>CSR 3 <i>Increase the coverage and quality of social services and complete the minimum inclusion income reform</i></p>	<p>Social Protection and Social Inclusion</p>	<p>April, SPC</p>	<p>especially in the schools from rural areas and other disadvantaged communities, including Roma, in order to address the root causes of the high equity gap still present the educational system.</p> <p>While noting the measures taken by the Romanian government to increase the attractiveness of VET, with ESF support, further support measures are encouraged for increasing the quality and relevance of dual VET. At the same time, efforts are needed to develop a comprehensive skills forecasting system to feed into the VET and higher education programmes.</p> <p>In 2016, Romania initiated a major reform with the adoption of the Law on Minimum Inclusion Income. The law is intended to reform all existing means-tested programs and to set up a single and larger financial support program to cover the minimum living needs of families and single persons in difficulty. In 2018 the government extended the prorogation of the law until 2021, in order to ensure that all administrative measures, and in particular the new IT system required for the implementation of the law are put in place. Currently, Romania applies the existing law on Minimum Guaranteed Income. The measures reported to address this part of the CSR include a new provision for the annual indexation of the state allowance for children, as well as several on-going studies to support, inter alia, the elaboration of a National Strategic Framework for Social Inclusion and Poverty Reduction for the period 2021-2027.</p> <p>In addition, Romania reported on several measures aimed at improving the quality and reducing the high regional and urban-rural differences in the provision of social services. These include changes in the licensing regime and compliance monitoring of social services providers; elaboration of monitoring and planning tools for territorial distribution of social services; as well as support for local public authorities through financing the</p>
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Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

			<p>modernization or establishment of integrated community centers; and the creation of integrated community intervention teams.</p> <p>The SPC recognizes the commitment of the Romanian authorities to improve the coverage and quality of social services, as well as to carry out studies and make provisions in view of the implementation of the law on Minimum Income. Since the law implementation continues to be delayed, the Committee considers that no progress has been made in completing the minimum income reform. With regard to increasing the coverage and quality of social services, limited progress was made, but further work is still required, notably for the rural areas, marginalised communities and vulnerable groups such as children, the elderly, Roma minority, persons with disabilities and people affected by homelessness. The SPC encourages Romania to continue with its efforts to address the requirements of the CSR.</p>
<p>CSR 2 Ensure the sustainability of the public pension system and the long-term viability of the second-pillar pension funds.</p>	<p>Pensions</p>	<p>April, SPC</p>	<p>In 2019, Romania enacted a new pension law, which provides for a major pension indexation (up by 40%) and a further upward recalculation of pensions by 2021. In 2020, the Romanian government abolished several provisions targeting the second pillar pension funds, which were introduced by the former government in 2018 and 2019.</p> <p>The SPC is of the opinion that while contributing significantly to the adequacy of pensions in Romania, the new pension law provisions are likely to pose risks to the sustainability of public finances, if not accompanied by offsetting measures, such as, for example, increasing labour market participation and ensuring longer working lives. As the reported measures, while welcome, do not seem to significantly reduce the impact on the sustainability of the pension system, the SPC is of the opinion that no progress has been made to address the overall sustainability challenge and limited progress has been made to address the viability of the second-pillar pension funds.</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

<p>CSR 3: Improve access to and cost-efficiency of healthcare, including through the shift to outpatient care.</p>	<p>Healthcare</p>	<p>April, SPC</p>	<p>Romania continues the implementation of its national health strategy (initiated in 2014), which aims at improving access to medical services, at achieving efficiency and financial sustainability and at modernizing health service delivery at regional level.</p> <p>The reported measures include the continued implementation of several public health/screening, programmes, alongside the development of 52 community health centers; the construction of 3 new regional hospitals; and the ongoing the rehabilitation and extension of a significant number of outpatient clinics and emergency care units. A significant increase in the funds allocated to primary health care was also made, and several services currently provided by specialist doctors will be included in the primary care package. Romania also reports on the implementation of National Programme of Health Promotion (with 23 information campaigns having been organized), as well as on the start of a project to develop an integrated IT health insurance system. Despite the reported measures, the health status of the population remains below the EU average. Total healthcare spending is low and focused on inpatient care.</p> <p>The SPC is of the opinion that Romania has introduced improvement measures within the field of health services. Given the scale and the magnitude of the challenges in the healthcare sector, progress in addressing the CSR remains limited. Romania is encouraged to continue implementing the measures to reform the healthcare system and further pursue its policy initiatives to strengthen the shift to outpatient care.</p>
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Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

SLOVENIA			
CSR (part) 2019	Topic thematic review	Date	Conclusions
<p>Increase the employability of low-skilled and older workers by improving labour market relevance of education and training, lifelong learning and activation measures, including through better digital literacy.</p>	<p>Education, skills, VET and adult learning</p>	<p>10 March (with EDUC)</p>	<p>While adult learning in Slovenia is around the EU average, participation rates have dropped significantly during the last decade and there are significant inequalities in participation. The participation of low-skilled and older workers in adult education remains a particular challenge as their activity and employment rates remains the lowest in the EU. Skills levels need to be raised to match job requirements.</p> <p>Against this background, Slovenia continues a strategic approach combining measures under its Adult Education Act with efforts launched under the National Master Plan for Adult education 2013-2020. Through a network of public adult education organizations, a variety of counselling and training programmes are provided, targeted at unemployed as well as employees. 30% of funds were aimed for programmes for acquiring digital (ICT) skills.</p> <p>Based on experience from the current Masterplan and the national skills strategy, preparations are underway for a follow up strategy (2021-2030) - which includes further measures to encourage participation in adult education, in particular of low-skilled, older and inactive workers.</p> <p>Some ALMP programmes combining employment and training have seen relatively high shares of +50 years old participating. Further efforts should be pursued for this to have significant impact on employment rates.</p> <p>EMCO and EDUC take note of the strategic approach to raising skills, competences and adult learning and welcome the involvement of several ministries and a range of stakeholders in the Master Plan. Measures taken address the CSR and should be continued – with digital skills being possibly addressed more explicitly and paying attention to the gender gap in</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

			<p>education. While cooperation between employment and social service has improved, taking this further may also have additional impact on employment prospects of low-skilled and older worker. Newly developed graduate tracking mechanism could help to improve the labour market relevance of tertiary and vocational education.</p>
<p>CSR 1: Adopt and implement reforms in healthcare and long-term care that ensure quality, accessibility and long-term fiscal sustainability.</p>	<p>Long-term care, healthcare</p>	<p>April, SPC</p>	<p>Slovenia has planned ambitious reforms in the areas of healthcare and long-term care. The new draft Healthcare and Health Insurance Act, as well as the new Long-term care Act were scheduled to be presented to the public at end of January 2020, however this has been postponed due to the resignation of the Slovenian government.</p> <p>Nevertheless, Slovenia reports on several other measures, which contribute to the quality accessibility and long-term fiscal sustainability of the systems. In the area of long-term care, a project to provide free of charge a range of services, unavailable under the existing system (e.g. e-care services, re-enablement, drug preparation and administration) is being piloted <i>with an aim to assess the effectiveness of proposed new methods and the procedures to be proposed in the draft LTC Act</i> In the area of healthcare, a dedicated project to optimize the management and functioning of 15 hospitals has been on-going since 2017. Efforts to strengthen the provision of primary care, including the provision of mental care are also on-going. A thorough Health System Performance Assessment programme has also been set-up at national level.</p> <p>The SPC takes note of the measures reported by Slovenia. As the planned reforms in the areas of healthcare and long-term care are postponed, the Committee considers that Slovenia has made limited progress on Healthcare and no progress on the Long-term care part of the CSR.</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

<p>CSR 1: Ensure the long-term sustainability and adequacy of the pension system, including by adjusting the statutory retirement age restricting early retirement and other forms of early exit from the labour market</p>	<p>Pensions</p>	<p>April, SPC</p>	<p>Slovenia reports on several measures in the areas of pensions and labour market regulation, which came into effect at the start of 2020. By increasing the accrual for future pensioners to 63.5% for 40 years of service, Slovenia is making an effort to address the adequacy of pensions for those retiring under the new legislation. By providing further possibilities to combine work with retirement income, as well as by limiting certain options for early labour market exit, Slovenia aims to increase the proportion of older workers in employment, thus helping the sustainability of the pension system. In addition, measures introduced by the 2012 pension reform, designed to limit early retirement, appear to have been successful.</p> <p>The SPC considers the measures introduced by the Slovenian government in 2020 as important steps towards addressing the requirements of the CSR. Slovenia is therefore assessed to have achieved some progress. Given the high poverty rate among older people, as well as the scale of the sustainability challenge, with pensions expenditure projected to increase from 10.9% (2016) to 14.9% (2070)⁵, Slovenia is encouraged to continue with its efforts to ensure the long-term adequacy and sustainability of the system.</p>
SLOVAKIA			
CSR (part) 2019	Topic thematic review	Date	Conclusions

⁵ EPC-EC: *The 2018 Ageing Report. Economic and budgetary projections for the 28 EU Member States (2016-2070)*, Publications Office of the European Union, Luxembourg.

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

<p>Recital 11: Continued capacity building for employers and trade unions is needed to promote their more active involvement.</p>	<p>Social dialogue</p>	<p>19 November</p>	<p>Slovakia has an adequate institutional framework for tripartite social dialogue. Social partners are involved in policy-making and receive regular feedback from the government, however their active involvement could be improved. The time allocated to social partner consultations is sometimes considered to be too short and often the timeliness of consultations and a sufficient deadline for reactions are more important for the involvement of the social partners than their capacity.</p> <p>The Slovak government is committed to support the capacity of social partners through the ESF. Trade unions are reimbursed also for actions in the area of occupational health and safety. However, thought should be given to the sustainability of those efforts beyond ESF financing.</p>
<p>Improve the quality and inclusiveness of education at all levels and foster skills in line with labour market needs.</p>	<p>Education, skills, VET and adult learning</p>	<p>10 March (with EDUC)</p>	<p>In line with the national strategy for education for 2018-2027, and subsequent action plans for 2018-2019, and 2020-2021, Slovakia continue efforts to improve the quality of the education system, including expanding training for teachers and volunteer staff and further working on improving of working conditions of teachers. The focus is also on VET and on modernizing tertiary education and increasing its quality, while at the same time promoting measures for its internalization. As far as support for learners with disadvantaged backgrounds is concerned, different measures are being prepared such as special support for students repeating the academic year and free school transport.</p> <p>While progress is made, further measures and funding may still be necessary to produce a systemic impact. Challenges persist in areas with a high concentration of Roma.</p> <p>In response to significant risks of job automation and changing skills requirements, measures are under way to raise awareness and encourage employees to take up flexible training courses. For the medium term, Slovakia has initiated a number of projects, inviting education and labour market stakeholders to help identifying and prepare for future skills requirements, as well as the developing of a validation system for non-</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

<p>CSR 2: Increase access to affordable and quality childcare and long-term care.</p>	<p>Early childhood education and care, long-term care</p>	<p>May, EMCO-SPC</p>	<p>formal education and competences. While containing promising elements, significant efforts and resources to drive the process forward seem required.</p> <p>The Parliament has approved compulsory pre-school attendance for 5 year-olds from 2021, with intentions to introduce the legal entitlement for 4 and 3 year-olds in the following years, which, if a high quality and inclusive environment is ensured could have a positive impact on disadvantaged children.</p>
<p>CSR 2: Promote integration of disadvantaged groups, in particular Roma.</p>	<p>Social Protection and Social inclusion; Integrated provision of PES and Social Services</p>		<p><i>Early childhood education and care, long-term care</i></p> <p>The 2019 Council recommendation is a follow-up recommendation. EMCO and SPC take note that Slovakia is not reporting on any new measures. The Committees recall that last year EMCO concluded that Slovakia should follow up on measures taken to invest in quality childcare and ensuring their sustainability. Moreover, no measures to increase access to affordable and quality long-term care were introduced by Slovakia. The Committees also take note that the proposed assessment in the 2020 Semester Commission Country Report qualifies the CSR implementation as limited progress.</p> <p><i>Roma</i></p> <p>In Slovakia, the proportion of people at risk of poverty or social exclusion remains below the European average (16.3% vs 21.9% for 2018), but certain groups, in particular the Roma, remain disproportionately affected. Long-term unemployment has decreased in recent years; however, the unemployment for low-skilled workers is amongst the highest in the EU (29.8% vs 13.3% for 2018). The unemployment rate for Roma is presumed to be particularly high (estimated at 48%, according to some external reports).</p> <p>Slovakia has recognized these challenges and has launched numerous projects aimed at the integration of disadvantaged people, including Roma. These include subsidized employment; educational activities for job-seekers</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

			<p>and disadvantaged job-seekers; field social work; community centres; as well as low-threshold day centres and low-threshold social services for children and families. The projects have some potential to contribute to the better integration of disadvantaged groups, however they remain disentangled and do not seem to form an integrated strategy. The overall impact of the measures is yet to be seen/to be assessed. In addition, the majority of the reported measures are funded by ESF and the long-term sustainability of the interventions would need to be ensured.</p> <p>EMCO and SPC acknowledge the commitment of the Slovak Government to further progress on the integration of disadvantaged groups. Given the nature of the challenge, which calls for a coordinated and sustainable strategy, strengthened efforts are required to achieve long-term integration of the concerned populations. Progress is therefore assessed as limited.</p>
<p>CSR 3: Focus investment-related economic policy on ... social housing, taking into account regional disparities.</p>	<p>Social Protection and Social Inclusion</p>	<p>April, SPC</p>	<p>In response to the CSR, Slovakia has partially adjusted the legal provisions covering the existing <i>State Housing Development Fund</i> with the intention to stimulate the interest of legal persons to enter the private rental market, to promote labour mobility and to support the municipalities in the acquisition of social housing. In addition, some partial adjustments were made in the existing housing development subsidy schemes.</p> <p>In light of the presented information, the scale of the policy effort and of the challenges faced, the SPC considers that Slovakia has made limited progress in addressing the social housing - related requirements of the CSR.</p>
<p>CSR 1: Safeguard the long-term sustainability of public finances, in particular that of the healthcare and pension systems.</p>	<p>Pensions</p>	<p>April, SPC</p>	<p>Slovakia presented three recent measures, with the potential to address the requirements of the CSR. These include the annual clearing of social insurance contributions; a social insurance contribution allowance for old-age pensioners; as well as measures to improve the flexible retirement conditions, alongside national projects for increasing employment, including</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

<p>CSR 1: Safeguard the long-term sustainability of public finances, in particular that of the healthcare and pension systems.</p> <p>CSR 3: Focus investment-related economic policy on healthcare ... taking into account regional disparities.</p>	Healthcare	April, SPC	<p>among older workers. At the same time, Slovakia reports on several measures, which may have an adverse effect on the long-term sustainability of the pension system. These measures were introduced in 2019 and include legislation to establish caps on the retirement age at 64 and to remove the automatic adjustment of the statutory retirement age to life expectancy. In addition, Slovakia has made efforts to improve the adequacy of its pension system by increasing the minimum pensions as of 2020.</p> <p>In light of the presented measures, the SPC concludes that limited progress has been made in addressing the recommendation. Slovakia is invited to continue taking measures to ensure the sustainability of its pension system.</p> <p>In an effort to improve the functioning of its healthcare system, Slovakia initiated in 2016 and further enhanced in 2018 the <i>Value for Money Project</i>. In 2020, a new <i>Value for Money Project 2</i> was launched, targeting further savings and efficiencies in the allocation of funds. If fully implemented, the project is expected to generate potential savings of up to 542 Million Euros over three years.</p> <p>The SPC acknowledges the cost savings achieved during the ongoing implementation of the Value for Money Project, but recognize that the extent of future savings depends on the project's proper execution. In addition, the comprehensive reform, aimed at modernising the hospital network and reducing reliance on hospital care announced in 2018, is currently on hold. Slovakia is therefore assessed to have achieved limited progress.</p>
FINLAND			

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

CSR (part) 2019	Topic thematic review	Date	Conclusions
Improve incentives to accept work and enhance skills.	ALMPs and PES reforms	21 January	<p>The employment rate is increasing, however there are signs of a tightening labour market and of skills mismatches. Finland has launched and is planning a number of reforms. However, some of those are still in the preparatory stage and their final form and adoption are not yet confirmed.</p> <p>Finland focuses on a workability programme as well as on creating a new continuous learning policy. Digitalized employment services have been stepped up. Finland is further developing the wage subsidy programme. It should ensure that the wage subsidies are targeted to those who need them the most and that the subsidies are designed accordingly.</p> <p>Local employment trials are in planning to promote integration of services to unemployed and inactive. It will be important to follow up on the effectiveness of the trials. Some concern was expressed regarding the repeal of sanction mechanism within the unemployment benefit system. Further efforts would be needed to look into the activation elements of the social protection system and possible disincentives to labour market participation.</p>
Improve incentives to accept work and enhance skills and active inclusion, notably through well-integrated services for the unemployed and the inactive.	Social and inclusion; Integrated provision of PES and Social Services	May, EMCO-SPC	<p>In 2019, the labour market situation in Finland continued improving, with activity and employment rates approaching pre-crisis levels. At the same time, certain groups, especially low-skilled men, workers close to retirement, persons with disabilities, people with a migrant background, and people with partial work ability, are consistently unemployed or inactive in the labour market.</p> <p>To address the Council recommendation, Finland reports on a mix of measures. The Work Ability Program, which targets the unemployed and inactive and builds on the measures implemented by the Sipilä government, was initiated by the current government. The improvements, which still need to be elaborated in more detail, include strengthening the social, health and rehabilitation services for the unemployed and the inactive, re-designing of</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

			<p>public employment services and increasing the demand for labour force through wage subsidies and targeted public procurement. In addition, Finland is preparing pilot projects (trials) to improve the coordination between public employment and other services to support the employment of disadvantaged groups in 89 municipalities. These trials will start in January 2021 and finish in June 2023. Finally, Finland reports on its continued efforts to adapt its social security system and make short-term or part time employment more attractive, compared to unemployment.</p> <p>EMCO and SPC acknowledge the commitment of the Finnish government to address the challenges through a comprehensive and well-balanced mix of policy measures. As some of the reported measures are still in early stage and their actual impact is not yet certain, Finland is assessed to have achieved some progress in addressing the requirements of the CSR.</p>
<p>CSR 1: Improve the cost-effectiveness of and equal access to social and healthcare services.</p>	<p>Healthcare</p>	<p>April, SPC</p>	<p>The current Finnish government has confirmed its commitment to implement, by the end of its term in 2023, the ambitious health and social services reform, initiated by its predecessors. The reform aims to consolidate the responsibility of the organisation of social and healthcare services at the level of counties and focus on prevention and primary healthcare, homecare, as well as on strengthening child and family services. When completed, the reform has the potential to improve the cost-effectiveness of the social and healthcare systems (by focusing on prevention and primary healthcare, homecare, as well as on strengthening child and family services) and guarantee equal access to high-quality services across the country.</p> <p>The SPC assesses positively the commitment of the Finland to implement the envisaged reform. As the planned initiative are still to be implemented, Finland is assessed to have achieved limited progress in addressing the requirements of the Council recommendation.</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

SWEDEN			
CSR (part) 2019	Topic thematic review	Date	Conclusions
Focus investment related economic policy on education and skills, [...] taking into account regional disparities.	Education, skills, VET and adult learning	10 March (with EDUC)	<p>Sweden invests considerably in education in comparison with the EU average. The largest share of public expenditure is in pre-primary, primary and lower secondary education. In the upper secondary cycle, the share of the public education expenditure is below the EU average. Since the school-age population is rising, continued high investment in education will be needed.</p> <p>In order to address teacher shortages and some lack of formal qualifications, several continuous professional development initiatives have been introduced in recent years, new places at universities on teacher studies opened and teachers' salaries have been increased, but further efforts will be needed.</p> <p>Shortages of teachers with formal qualifications have a socioeconomic dimension, as they are mostly recorded in municipalities with a high concentration of lower-income residents and people with a migrant background. Therefore, segregation and inequality in a traditionally inclusive educational system are growing, in part because municipalities are responsible for funding schools, which creates further potential for inequality, especially for people from disadvantaged groups or with a migrant background, given the wide differences in resources at their disposal and their freedom to decide the distribution of state grants received, reducing the effectiveness of targeting.</p> <p>When it comes to tertiary education, the gender gap concerning the choice</p>

Country-specific Conclusions from the EMCO and SPC Multilateral Surveillance and Reviews of the Implementation of the 2019 CSRs

		<p>of subjects, such as STEM, need to be further strengthened.</p> <p>Measures are being taken to make VET more attractive for both teachers and students. These measures include establishing VET courses that prepare for tertiary education, and the development of new apprenticeships in cooperation with employers and other stakeholders.</p> <p>Steps have also been taken to reform the adult education and there are proposals to develop a new teacher education profile for adult learning, to make the system more responsive to changes in the labour market and to the needs of the workforce.</p>
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