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From:	Employment Committee and Social Protection Committee
To:	Permanent Representatives Committee/Council
Subject:	Outcome of the 2023 Country-Specific joint EMCO-SPC reviews

Delegations will find attached the document on the outcome of the 2023 Country-Specific joint EMCO-SPC reviews as an addendum to the joint Opinion of the Employment Committee and the Social Protection Committee on the 2023 Country-Specific Recommendations.

Horizontal Opinion
of the Employment Committee and the Social Protection Committee
on the 2023 cycle of the European Semester

Annex 3 – Outcome of the 2023 Country-specific Joint EMCO-SPC reviews

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1. Labour Market Participation of Women through Access to Early Childhood Education and Care and Long-Term Care – 24 May 2023

Austria

2022 CSR # 3: Boost labour market participation of women, including by enhancing quality childcare services [...].

Austria continues to take positive steps to increase the participation of women in the labour market and to encourage women to work longer. The budget allocated to support women through active labour market policies - already exceeding the subsidies provided to other unemployed groups - has been further increased. Measures are also in place to support women in fostering their skills and supporting their labour market integration, as well as for taking up professions where they are underrepresented, such as in STEM-related jobs. Provisions have been also adopted to increase wage transparency, reduce gender income disparities, promote work-life balance and address gender stereotypes in the labour market.

The participation in formal ECEC for children aged below 3 in Austria continues to rise, and a new agreement has been signed with the Länder which increases the federal resources allocated to ECEC facilities by 40%, for a total up to 1 billion euros over 5 years.

Within the framework of the EU Technical Support Instrument (TSI), Austria aims to create more attractive working conditions to raise the profile of the ECEC-related professions and tackle the shortages of qualified staff, in light of a rising demand paired with shortages.

The impact of these measures is to a large extent yet to be observed, as many were introduced recently. There is still room to increase the supply of high-quality childcare by further expanding the opening times of the childcare facilities and addressing regional differences. In addition, further impeding factors to the women's full participation to the labour market could be investigated to take further appropriate actions.

Poland

2022 CSR # 3: Increase labour market participation, including by improving access to childcare and long-term care [...].

While Poland made some progress in closing the gender gap in employment rates in a context of a tight labour market, considerable efforts are still needed to increase the labour market participation of women through access to ECEC and LTC. Although the participation of children aged less than 3 years in formal childcare has increased over the last years, it remains much lower than the EU average and still far from the new Barcelona target of at least 45 % by 2030. Planned reforms include a new edition of the TODDLER+ program to expand ECEC, further deinstitutionalisation, an improvement of long-term care services, as well as the enhancement of Active Labour Market Policies. Nonetheless, the majority of reforms and measures proposed are still at an early stage. Measures have also been introduced to facilitate work-life balance.

The policy response provided addresses only to a limited extent the poor childcare accessibility and the challenges of the LTC sector. For the latter in particular, Poland needs to develop a formal LTC system, better support informal carers and further progress in the deinstitutionalisation of services. Despite visible efforts and outcomes, the socio-economic integration of the Ukrainian refugees will probably remain a challenge in the coming years. The adopted law on social assistance for refugees from Ukraine provides special provisions on the right of residence as well as other rights, services and benefits, including regarding the access to the labour market and healthcare.

2. Access to Social Protection, Income Support and Access to Services – 24 May 2023

Estonia

2022 CSR # 3: Strengthen social protection, including by extending the coverage of unemployment benefits, in particular to those with short work spells and in non-standard forms of work.

The challenges, underpinning the 2022 Country Specific Recommendation for Estonia, are related to the adequacy of the social safety net and the high risk of poverty and social exclusion among certain groups. The need to extend the coverage of unemployment benefits for non-standard or part-time workers has been specifically raised.

To address the requirements of the CSR, Estonia reports on several measures. Firstly, through adjustments to the Unemployment Insurance Act, the country is in the process of changing the principles of the unemployment insurance benefit system to a countercyclical one. According to the amendments, the period for the payment of unemployment insurance benefit depends partially on the situation in the labour market. This aims to increase the flexibility of the system and provide the unemployed with greater social protection in a more difficult labour market situation. In addition, a new Welfare Development Plan for 2023-2030 has been adopted in February 2022. The plan sets goals to reduce poverty, increase employment, prolong quality working life, and promote equal treatment and gender equality. Furthermore, the country reports a substantial increase of pensions. Additionally the benefit for a pensioner living alone increased in 2022 and as from 1 January 2023 the average pension is exempt from income tax.^T Finally, since June 2022, the subsistence benefit level was increased.

EMCO and SPC welcome the reported measures, which have the potential to address some of the challenges highlighted in the 2022 Council Recommendation. Given the long-standing nature of the adequacy challenge, and the high risk of poverty and social exclusion among some vulnerable groups, Estonia is encouraged to continue with its efforts to address the adequacy of pensions and subsistence allowances to provide greater social protection. The Committees also take note that - despite improvements in the adequacy of benefits - access to and coverage by unemployment benefits, in particular of those with short work spells and in non-standard forms of work remains unchanged.

Lithuania

2022 CSR # 3: Reduce fragmentation in the planning and delivery of social services and improve their personalisation and integration with other services

The rationale behind the 2022 Country specific recommendation, issued to Lithuania is in the need to improve the collaboration between various ministries and other public bodies, the effectiveness in the planning and delivery of social services, as well as in the lack of strategy on social housing.

In response to the CSR, Lithuania has taken a series of measure. To address the fragmentation in planning and delivery of social services, Lithuania changed the norms for the development of such services to assess the level of development more objectively and to better forecast the development needs of social services. Lithuania is also in the process of developing the national quality standard for social services, which will help measure the quality and performance of social service organizations. To improve the personalization of services, Lithuania introduced a recommendation to apply case management methodology and integrated provision of active labour market policy measures and social and other services to unemployed and other target groups in all municipalities. This action was implemented between 2019 and 2022 in 45 municipalities. Furthermore, a new category of ‘persons getting ready for the labour market’ was introduced to specifically identify and propose targeted integrated services for such persons. Changes to the disability assessment process were made, aimed at taking more account of the extent of individual needs of a given person and the environmental handicaps. Lithuania also revised the procedure for determining the need for social services for persons/families, and introduced preventive social services aimed at, inter alia, identifying potential recipients of social services and providing integrated services for families.

EMCO and SPC welcome the actions taken by Lithuania in various policy domains, which have the potential to broadly address the 2022 Country Specific Recommendation. As most of the presented actions and policy measures are relatively recent, and given the scale of the underlying challenges, sustained efforts and regular monitoring of progress will be required.

Netherlands

CSR #3: Promote adequate social protection for the self-employed without employees [...]

The Dutch labour market performs well and has one of the highest employment rates in the EU (82.9% against an EU average of 74.7% in 2022). At the same time, flexible employment represents a substantial share of this employment, raising concerns of an increased risk of labour market segmentation and potential challenges in terms of access to adequate social protection for the self-employed.

The Netherlands reports on three sets of planned measures aimed at increasing the social protection coverage of the self-employed. A bill for the introduction of a mandatory disability insurance is foreseen for submission to the House of Representatives in the spring of 2024. In addition, experiments (or pilot projects) will be launched to assess different possibilities to increase the access to and coverage by the new (second pillar) pension system for the self-employed by joining a company or sectoral pension fund on a voluntary basis. This experimental legislation is part of the pension reform legislation, which is planned to enter into force on 1 July 2023. Finally, Netherlands reports on the intention to simplify and modernise the *Decree on assistance for the self-employed*. This was announced in the *Social Security Simplification Agenda*, which was launched last year together with a special working group, tasked to examine the simplification of social security. The House of Representatives is expected to be informed about the outcome of this work and possibilities for the modernisation of the regular decree in the spring of 2023.

EMCO and SPC welcome the planned measures to increase the social protection coverage of the self-employed in the Netherlands but take note that concrete legislative proposals have not been tabled yet. Furthermore, the possible impact of the envisaged experiments to increase pension coverage of self-employed on a voluntary basis, as well as of the intended simplification and modernization of the Decree on assistance for the self-employed are not yet clear. The Committees consider that the Netherlands should continue with its efforts to address the requirements of the 2022 CSR.