

Public services and the European Semester

An overview of the National Reform Programmes of 2011

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EUROPEAN
FEDERATION
OF PUBLIC
SERVICE
UNIONS

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FEDERACIÓN
SINDICAL
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ЕВРОПЕЙСКАЯ
ФЕДЕРАЦИЯ
ПРОФСОЮЗОВ
ОБЩЕСТВЕННОГО
ОБСЛУЖИВАНИЯ

A report by the ETUI for EPSU

Christophe Degryse, December 2011

Table of contents

| | |
|---|----|
| Preface..... | 1 |
| Chapter I | 4 |
| Introduction..... | 4 |
| Preliminary remark concerning structure..... | 4 |
| Major trends..... | 6 |
| Consistency between European process and national reforms | 7 |
| “Absent” reforms | 8 |
| The link with the Council recommendations | 8 |
| Democratic legitimacy..... | 9 |
| Chapter II | 10 |
| Summary of findings by theme..... | 10 |
| 1. Public Sector / Public Spending | 10 |
| 2. Public employment..... | 12 |
| 3. Utilities | 13 |
| 4. Healthcare | 15 |
| 5. Education / Training | 16 |
| 6. Poverty / Social inclusion | 20 |
| 7. Local and Regional Administration..... | 23 |
| References..... | 25 |
| Annexe 1 | 26 |
| Annexe 2..... | 27 |

Public services and the European Semester – an overview of the National Reform Programmes of 2011

Preface

On 14 January workers took to the streets of Bucharest and vented their anger and frustration, by throwing stones and lighting fires. The government had just proposed to privatise the health care system and a popular high ranking government official resigned in protest. People's concerns erupted in violence with citizens rioting against the measures. Faced with such protest, the government hurriedly withdrew the proposals. People were fed up. The Romanian government had been following an austerity course for 2-3 years and repeatedly refused negotiations with the unions. The angry reaction might become symptomatic of deep popular discontent with the course of Europe as in other countries European governments follow a path of ruthless austerity policies, refuse to negotiate with the trade unions and push through cuts in public spending.

Public service workers in many European Union countries are faced with such policies. The implications for individual public service workers, the vast majority working for low- and middle incomes, can be huge. The policies translate in pay freezes and even pay cuts. Some workers have seen their incomes fall by 25% or more. Workers lose allowances and pensions are attacked (longer working to retire later for a smaller amount).

Public services also receive less funding leading to job cuts, sometimes running into hundreds of thousands as in Romania and the UK. Governments privatise services such as schools, hospitals and social services, and utilities such as water companies. The longer-term consequences for society will be significant as corporations gobble up the assets creating a state that seems more concerned about the welfare of companies rather than its citizens.

Quality of services and quality of live will be affected. The number of homelessness in Greece and Spain has increased dramatically. Crime rates, prostitution and HIV infections have increased in Greece, while ten of thousands of educated and young people are leaving their countries, 200.000 in Latvia alone. Few economies are growing and several have failed to regain the output lost during the crisis, such as Latvia (almost 25% in 2008-2009) or are still shrinking like Greece in 2009, 2010 and 2011. Workers and citizens have protested against these measures with an unprecedented wave of strikes and actions since 2008 including the EPSU coordinated day of action in which public service unions across Europe joined on 30 November 2011. (<http://www.epsu.org/a/8178>)

While EPSU and the ETUC support the general idea of more coordinated economic governance, the problem is that a bias towards austerity is incorporated into EU policies. The governments have adopted the so-called six pack and the Euro Pact Plus in which EU Member States bind themselves to reduce public deficits and debts, agree the sanctions if they do not oblige and focus attention on macro-economic imbalances, primarily on countries

with a current account deficit. We now have an intergovernmental Treaty that will enshrine a balanced budget rule and sanctions against countries that break it..

Alternative proposals for more investment in public infrastructure and public services such as promoted by EPSU and ETUC are pushed aside. The democratic nature of the proposed Treaty is questionable. The risk remains very high that the coordinated austerity pushes the whole European economy into a recession. ETUC opposed the Treaty and called for a European Action Day 29 February 2012.

Part of the above economic policy framework is the annual European Semester, beginning with publication of the Annual Growth Survey. Governments respond with National Reform Programmes which will be judged by the Commission and the Council ultimately leading to country recommendations that have to be followed otherwise sanctions kick in. To explore the extent of the neo-liberal bias in this policy framework, EPSU commissioned ***Public services and the European Semester – an overview of the National Reform Programmes of 2011*** The report gives a critical view of the role of the Annual Growth Survey and the National Reform programmes (NRP) and to what extent they replace other processes such as the targets of the EU 2020 strategy and the Broad Economic and Employment Guidelines.

The conclusions of this report argue that there now is a “bewildering mix of often overlapping targets and guidelines”, that it is questionable if the “measures identified in each NRP are really connected to European goals”. The findings make clear that behind the targets lies still “a very disparate range of national policies”.

We find it disconcerting that the reporting is selective and hides significant reforms that “involve major cuts to public services, the freezing or cutting of public sector workers’ pay and the reduction in employment and/or freezing of recruitment”. It means that the reports do not provide a clear picture and recommendations can be beside reality.

Above all there are questions about the democratic debate concerning the Annual Growth Survey, National Reform Programmes and final Council conclusions. Basically the view that arises is that the Annual Growth Survey is dominating all other policies and that Europe is captured more than ever before by the single mindedness of competition, internal and free market ayatollahs.

This report is part of a series of studies in which we seek to get a better understanding of the implications of austerity policies. In “The Wrong Target” we gave an overview of how governments spending cuts impact on individual public service workers in several countries. Other reports provide an overview of the impact of austerity policies on Women in public services, on Cultural Services such as libraries and museums, on Environmental Protection Agencies and on Labour inspectorates. Their findings indicate that one of the results, and yes, intended outcomes, of the austerity measures is to change the outlook of Europe based as they are on the idea of seeking to free employers, corporations and capital from restraint. They do not address inequality and poverty nor do the austerity measures create green jobs and sustainable development.

The findings will play a role in developing an EPSU response to the Annual Growth Surveys and the European Semester and the austerity policies. This report demonstrates that workers in general and public services workers in particular are the main groups affected by the Annual Growth Survey and National Reform Programmes. Building our response, resistance and alternatives will be a key priority in years to come to change the course of Europe.

Jan Willem Goudriaan
EPSU Deputy General Secretary

February 2012

Chapter I

Introduction

This report is based on a full examination the National Reform Programmes (NRP) published in 2011 by the governments of France (FR), UK, Germany (DE), Poland (PL), Latvia (LV), the Czech Republic (CZ), Denmark (DK), Cyprus (CY), Spain (ES), Belgium (BE), Romania (RO), Ireland (IE) and Greece (EL).

National Reform Programmes (NRP) are national reports that all member states must submit to the European Union (European Commission, Council). In these reports, each government presents information about priorities and measures that will be taken in order to be in line with European priorities in areas such as employment, research, innovation, energy or social inclusion. In principle, the structure of all these documents should be the same for each country, making it easier to compare them. These documents are an important step in the so-called process of the European Semester, which is supposed to be the concretization of the new “economic governance”.

It is on the basis of the NRP (and the Stability or Convergence Programmes) that the European Commission and the Council will formally adopt, in July of each year, the “Country Specific Recommendations” (CSR). It will then be up to Member States to implement these recommendations by taking them on board as they draft their national budgets and other relevant policies. In this sense, NRP and CSR are two very important pillars of the new economic governance.

It is to be noted that while, in principle, the NRPs are to be presented each year (and should thus refer only to measures taken during a single year), some member states, in their NRPs for 2011, draw attention to all relevant measures – whether already taken, in the process of adoption, or planned for adoption in the future. It is therefore difficult to see what are the real links between annual European priorities and the national measures taken in order to implement these European priorities.

In this report, after a preliminary remark, we will examine the reforms undertaken by these countries under seven different headings: the public sector (public spending, administration, etc.); public employment; public services; healthcare; education and skills; social inclusion; local and regional government. It goes without saying that not every country has announced reforms in all these areas.

We will then attempt a synthetic overview of the data obtained for the purpose of interpreting the European impact on national policy directions in these various fields.

Preliminary remark concerning structure

All the national reform reports examined are supposed to cover the following three aspects:

- macroeconomic aspect (scenario and surveillance)
- policy coordination by area
- horizontal questions (structural funds) / methodology

However, the structure of the reports is not identical, in particular in terms of manner in which policies are coordinated by area where the indicators used are not the same for each member state (cf. Annex 1).

Most of the reports examined structure the section on policy coordination by area using the five Europe 2020 strategy targets (cf. box) adapted to the national situation (DE, DK, PL, LT, BE, ES, RO, CZ, IE, GR, UK).

Europe 2020 strategy – five targets

1. Employment: employment rate of 75% among 20-64 year olds
2. R&D / Innovation: 3% of the EU's GDP invested in R&D and innovation
3. Climate change / energy: 20% reduction in greenhouse gas emissions compared with 1990 levels + 20% renewable energy + 20% increase in energy efficiency
4. Education: reduce school drop-out rates below 10% + at least 40% of 30-34 year olds with third level education (or equivalent)
5. Poverty / social exclusion: at least 20 million fewer people in or at risk of poverty and social exclusion.

Others, however, structure this section on the basis of the ten guidelines (FR, CY), or combine these guidelines with the five targets (CZ, UK) :

Europe 2020 strategy – 10 guidelines

1. Ensuring the quality and the sustainability of public finances
2. Addressing macroeconomic imbalances
3. Reducing imbalances within the euro area
4. Optimising support for R & D and innovation, strengthening the knowledge triangle and unleashing the potential of the digital economy
5. Improving resource efficiency and reducing greenhouse gases
6. Improving the business and consumer environment, and modernising and developing the industrial base in order to ensure the full functioning of the internal market
7. Increasing labour market participation of women and men, reducing structural unemployment and promoting job quality
8. Developing a skilled workforce responding to labour market needs and promoting lifelong learning
9. Improving the quality and performance of education and training systems at all levels and increasing participation in tertiary or equivalent education
10. Promoting social inclusion and combating poverty.

Yet others base their chapter on the recommendations contained in the European Commission's *Annual Growth Survey* (CCE 2011) (DE, IT, UK).

Annual Growth Survey 2011 recommendations

1. Implementing a rigorous fiscal consolidation
2. Correcting macroeconomic imbalances
3. Ensuring stability of the financial sector
4. Making work more attractive
5. Reforming pensions systems
6. Getting the unemployed back to work
7. Balancing security and flexibility
8. Tapping the potential of the Single Market
9. Attracting private capital to finance growth
10. Creating cost-effective access to energy

Others, finally, include their commitments taken in the context of the Euro Plus Pact (DE, FR, PL, RO, CY, CZ, IT) (it is to be noted that the Czech Republic, while not involved in the Euro Plus Pact, nonetheless refers to it on a number of occasions).

Euro-Plus Pact

1. Foster competitiveness
2. Foster employment
3. Contribute further to the sustainability of public finances
4. Reinforce financial stability

These different indicators (5 targets, 10 guidelines, AGS, Euro Plus Pact) are interconnected, to be sure. But their priorities cannot be said to be totally identical. Derruine *et al* (2011) have shown, for example, that the issues of poverty, R&D, energy and environment are of marginal significance in the AGS, even though they form part of the Europe 2020 “inclusive, smart and sustainable” goals.

This shows how difficult it is to compare the national reform programmes, given the diversity of the indicators used by the different member states. What is more, the seven topic headings covered in this report do not correspond to any specific set of Europe 2020 indicators (in particular, public sector, public employment, public services, local and regional authorities, health care). It was therefore necessary to establish which of all the measures announced in the NRP might bear some relationship to one of these seven headings.

Major trends

The different approaches adopted in each NRP, make it very hard to devise a methodology that would enable clear and accurate comparison of reforms in the countries and possible links between national reforms and European recommendations. However, we can identify some major trends and these are summed up below.

Measures in the Public sector and government spending are mainly related to:

- controlling costs
- improving efficiency and transparency of public administration
- enhancing the efficiency of public spending
- restructuring or liberalizing public enterprises
- to a much lesser extent: green public investment plans.

Measures in Public employment are mainly related to:

- pension reforms in public sector
- wage freezes
- some degree of freeze on recruitment (GR, CY).

Measures in the Utilities sector are mainly related to:

- competition in energy markets
- competition in the passenger transport sector
- competition in the post and telecom sectors
- development and modernization of infrastructures
- some instances of privatization (GR, RO).

Measures in the Healthcare sector are mainly related to:

- reducing expenses
- reform or reorganization of healthcare systems
- putting in place mechanisms to control spending
- better manage drug supplies

- to a much lesser extent: some measures to enhance access to health services for disadvantaged people.

Measures in Education are mainly related to:

- access to and availability of educational facilities
- vocational training and apprenticeship
- lifelong learning
- certification, assessment, curriculum
- general organization, restructuring and structural reforms
- targeted people
- matching education with the needs of the labour market.

Measures in Poverty and Social inclusion are mainly related to:

- active policies for targeted people (disabled, elderly, migrants, etc.)
- development of social services
- reform of the welfare system
- protecting income, fight against indebtedness, income inequality
- housing
- social economy
- special attention to children and education.

Finally, the topic of local and regional administration in the NRP focuses exclusively on fiscal discipline at the local/regional level.

Consistency between European process and national reforms

In some respects, the national reform programmes appear to resemble a beauty contest (or a “standardization effort”). The member states draw attention to all measures – whether already taken, in the process of adoption, or planned for adoption in the future – that can be “pegged to” one or other of the European indicators, in the hope of demonstrating their compliance with the European agenda. And yet it is hard in some cases to see any real connection between the measures presented in the NRP and the European goals.

The topic of social inclusion is particularly revealing in this respect: when employment activation policies, or measures to strengthen the competitiveness of the economy, are presented as instruments to combat social exclusion, there is room for considerable doubt as to the existence of any genuine convergence between the national and the European agendas. As noted in the EAPN, most of its national members, assessing the NRP, “considered the policy responses to ensuring inclusive growth at best inadequate, and at worst guilty of generating increasing poverty and social exclusion, and an attack on human rights” (EAPN, 2011). No effort, the EAPN report goes on to say, is made to establish the causes of social exclusion and the “active-integration-into-employment” (employment that is, in any case, frequently non-existent) policy response appears to be dictated more by the need to fill in the social inclusion box of the NRP than by any genuine political will to devise and implement a strategy for meeting the goals set.

Moreover, there seem to be a general imbalance between EU recommendations (mainly focused on public finances and social issues) and Europe 2020 (which includes topics such as climate change, energy, research and development, poverty, etc.). It is thus that PNRs and recommendations appear to be closer to the AGS and Euro Plus pact priorities than to Europe 2020.

This point is extremely important, for it also serves to show that the targets, guidelines and other indicators contained in the Europe 2020 strategy can be used to justify extremely

diverse and in some cases divergent national policy programmes. Thus, for example, the introduction of a ‘flat tax’ in the Czech Republic is presented as a contribution to the sustainability of public finances, but also as a contribution to the competitiveness of the economy (points 3 and 1 of the Euro Plus Pact).

“Absent” reforms

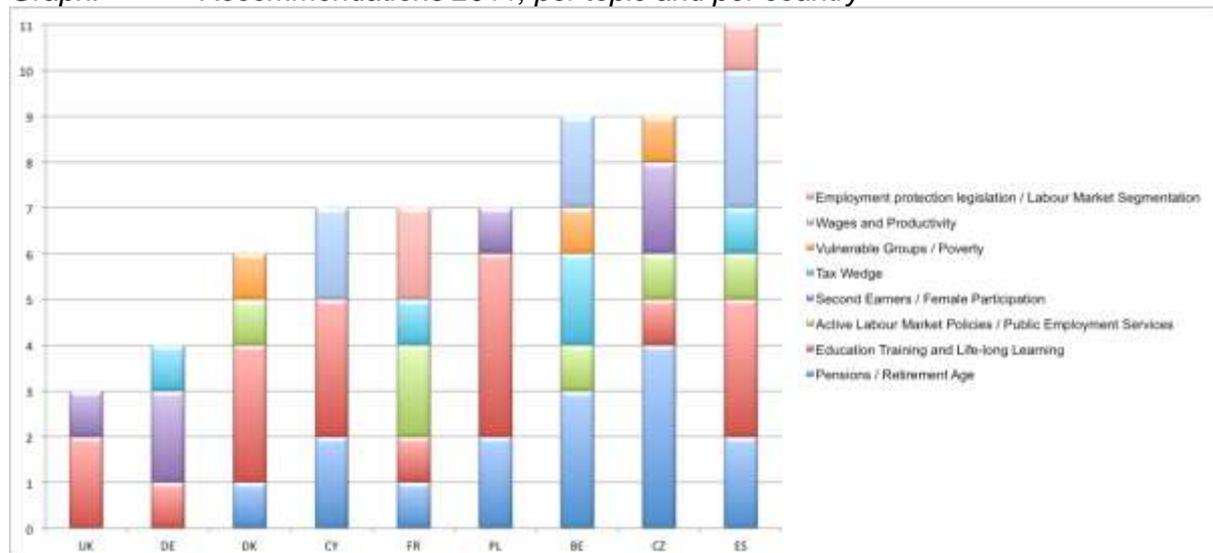
In reverse, it is important to bear in mind that the NRP reports do not necessarily reflect the whole gamut of reforms introduced in the member states. For instance, other sources such as Austerity Watch (ETUC) (<http://www.etuc.org/r/1611>), ETUI reports, etc. show that there exist numerous measures in terms of pay cuts, jobs cuts, public spending cuts, etc. that are not always presented in the NRP. Another example: in relation to industrial relations, collective bargaining systems and labour law, Clauwaert (2011) describes a series of recent trends – such as the decentralization of collective bargaining in Italy, Greece, Portugal, Spain, or Romania, and even the abolition (Hungary) or reduction in the role of (Romania) social dialogue institutions – which do not necessarily receive any mention in the NRP. The sources used by Clauwaert (information supplied by ETUC affiliates, *Memorandums of Understanding*, Dublin Foundation, articles and *newsletters*) differ from those used for preparation of this report which is exclusively based on the national reform programmes.

It thus becomes apparent that the NRP do not necessarily provide a full overview of the reforms adopted in the member states.

The link with the Council recommendations

Three areas covered in this report can be seen to overlap with the Council recommendations: education, poverty and, to a lesser extent, healthcare (there are no recommendations on, for instance, public or local administration). In some cases, it is very difficult to find any clear link between NRPs and the Council recommendations (which are adopted in July, i.e. after the adoption of the NRP in April-May).

Graph. Recommendations 2011, per topic and per country



(Without LV, RO, GR, IE, because they are part of another process).

One example of an apparent anomaly: on the issue of social inclusion, the UK government announced in its NRP that it will “reduce the number of children in workless households”. In July, the EU recommendation #4 addressed to the UK says that the government should

“reduce the number of workless households by targeting those who are inactive because of caring responsibilities”. The recommendation adds nothing to the PNR. Why should such a recommendation have been formulated? Perhaps in order to provide EU legitimization of a measure already decided by the UK?

Democratic legitimacy

As we have seen, the “new economic governance” put in place by the EU is impinging increasingly on national areas of competence. In this new process, the EU has a say in matters such as healthcare, public services, wages, collective bargaining, public employment, education, etc. In parallel with this development, the issue of democratic legitimacy is emerging.

It goes without saying that the NRP are drafted by governments whose formation is determined by the nationally elected parliaments. However, the “European Semester” procedure erects a rigid set of constraints affecting the way national policy priorities are devised and formulated. Whether we speak of the priorities defined by the European Commission at the outset of the process (via the AGS) or of the peer pressure exerted via the adoption of recommendations at the end of the process, the exercise can hardly be described as a model of democratic debate and transparency. What roles remain for the national parliaments and social partners? The latest decisions taken in 2011 by the heads of state and government indicate that this framework of constraints is set to become stronger, at least for 26 countries.

Chapter II

Summary of findings by theme

In the following pages, we look more closely at the reforms announced in the NRP by country and by policy area:

1. public sector (public spending, administration, etc.) ;
2. public employment ;
3. public services ;
4. health care;
5. education and skills ;
6. social inclusion ;
7. local and regional government

When it was possible, we have added the Council recommendations after the commitments from the NRP.

1. Public Sector / Public Spending

Regarding the public sector and government spending, all the countries examined – except Ireland and Belgium (which had no government in 2011) – provide a set of measures aimed primarily at controlling costs, improving efficiency and transparency of public administration, enhancing the efficiency of public spending, restructuring or liberalizing of public enterprises (GR, LV, CZ, RO). Very few countries (DK, ES) announced investment plans in green infrastructure, or energy savings in public buildings.

It is to be noted that we cannot say that NRPs bring together all available information about national reforms. Others sources indeed suggest that a lot more is going on in terms of cuts in spending and cuts to pay and jobs than would appear to be the case from the NRPs (see question 2 in the conclusion below : “The absent reforms”).

France:

- Draft constitutional reform: creation of “lois-cadres d’équilibre des finances publiques”, aimed at ensuring the balance of Government accounts

United Kingdom:

- Total consolidation of £126 billion a year by 2015-16, consisting of total reductions in spending of £95 billion and a net increase in taxes of £30 billion
- The Government launches the Public Services Transparency Framework: this framework provides information on performance and spending to allow the public to form their own view of whether they are getting value for money

Germany:

- Shifting government expenditure towards growth-enhancing items (e.g. on education, R&D and gross fixed capital formation), and improving the overall efficiency of public spending

Poland:

- Efficient administration: an administrative system which takes into consideration the interests of all entities operating in the sector of economy, shortening the duration of administrative proceedings, use of ICT technologies, etc.

Greece:

- Special emphasis on the accurate, timely and transparent publication of financial data for State-Owned Enterprises (SOE); fight waste and mismanagement in SOE
- Action plan for restructuring SOE and other public entities, which will lead to the closure of non-viable enterprises
- Strengthening the efficiency and effectiveness of the public administration, achieving a better control of public finances and improving the quality of public finances
- Making the Greek Statistical Authority independent
- Adoption of a reform overhauling the existing fiscal framework; enhancing tax collection and expenditure control

Latvia:

- Reforms for optimization of the state institutional structure
- Reduction by 50% of the number of state agencies
- Decreasing state subsidies
- Increasing the efficiency of public administration by reducing budget expenditures and by maintaining or improving quality of services (audit, evaluation, etc.)
- Reorganization/selling of state-owned banks

Czech Republic:

- Efficient Public Administration and Friendly Public Services Strategy
- Public administration responsive to business; perfectly functioning customs administration; adapting the functioning of other State administration authorities to the needs of the business community
- Radical reorganisation of the tax administration (in line with tax reform) in order to eliminate unnecessary administrative burdens on both the State and the business sector
- Bill on budgetary discipline and accountability, and implementation of other cost-cutting steps
- Reducing the costs of public administration, savings in public funds, computerization of public administration
- Fight against corruption: measures in public administration, in public procurement, etc.
- The Government will seek to remove barriers and open those sectors not yet liberalised

Council recommendations (July 2011)

(1) Implement the planned consolidation; adopt fiscal measures; improve the efficiency of public investments; increase indirect tax revenue and shift taxes away from labour; improve tax compliances, reduce tax evasion; correcting the excessive deficit

(5) (...) Speed up the implementation of the anti-corruption strategy; promote stability and effectiveness of the public administration; address the issue of anonymous share holding

Denmark:

Linked with national targets for climate and energy:

- A DKK 97 billion infrastructure fund has been set up, of which the majority will be used to improve the rail network
- A fund dedicated to green transition and commercial innovation has been established, in order to develop new climate-friendly solutions
- The government will regularly allocate funds within the globalisation framework through the Energy Technology Development and Demonstration Programme (EUDP) and Green Lab for innovation within the environment, nature and energy

Cyprus:

- Containment of public consumption
- Better Regulation: decrease administrative burden by 20% by 2012

Spain:

- “Extraordinary Investment Plan” launched, based on public-private partnership formulas which will enable public investment to remain above the European average (to partly offset the decline in public investment resulting from the process of fiscal consolidation)
- Increase the efficiency of the public sector (enable private investors to participate in the National Lottery system, in airports and in the management of the main airports)
- Modernisation of the Justice System 2009-2012
- Energy saving by the public administrations (cf. Sustainable Economy Act)

Romania:

- Increasing the efficiency and transparency of the public administration (“2009-2012 Government Programme”)
- Accelerating the process through which state-owned companies are being privatized/restructured/sold (cf. utilities)
- Prioritisation of public investment
- Developing the institutional capacity of the Public Employment Service – at national, regional and local levels.

2. Public employment

In the sample of countries examined, some nine countries are impacted by public employment reforms. The main measures relate to: pensions in public sector (FR, UK, GR, IE, CY, RO), wages (GR, LV, CZ, CY, ES, RO), and hiring freeze (GR, CY). The only four countries announcing no measures in the public employment sector are Germany, Poland, Denmark and Belgium.

As in the previous chapter, we cannot say that NRPs include all available information about national reforms (see question 2 in the conclusion below : “The absent reforms”).

France :

- Harmonization of the rules between the public and private sector: elimination of the possibility of an early retirement for the parents of three children with fifteen years of effective service; end of the phased retirement system in the public service; gradual alignment of the contribution rate of civil servants on that of private sector employees (increase from 7.85% to 10.55%); harmonization of rules on the guaranteed minimum received and on the minimum contribution paid.

United Kingdom:

- Reforms of Annually Managed Expenditure (AME), including welfare and public service pensions

Ireland:

- Pensions reform: the National Pensions Framework (NPF) will provide for an increase in the age at which individuals qualify for the State Pension to 66 years in 2014; 67 years in 2021 and 68 years in 2028. This reform affects not only the public sector but all workers in all sectors.

Greece:

- Pensions reform: the National Pensions Framework (NPF) will provide for an increase in the age at which individuals qualify for the State Pension to 66 years in 2014; 67

years in 2021 and 68 years in 2028. This reform affects not only the public sector but all workers in all sectors.

- Wage cuts in the public sector: reducing bonuses and allowances paid to civil servants and to pensioners
- Reform of the public wage bill: simplifying public sector remuneration schemes and reducing excess employment in the public sector by cost-efficient means; establishment of a simplified remuneration system covering basic wages and allowances that will apply to all public sector employees; leading to a system where remuneration reflects productivity and tasks
- Suspension of recruitment in 2010; application of the rule “1 person recruited for every 5 retired” for 2011
- Bringing Greece’s pension system for civil servants into line with that of the private sector pension system
- Establishment of the Single Payment Authority for a much tighter control of payroll expenditures, enabling the systematic monitoring and analysis of payroll statistics, and simplifying the current public sector payment and remuneration system

Latvia

- Cutting down the wage fund for public sector employees

Czech Republic

- Adaptation of labour costs in the public sector to growth and labour productivity

Cyprus

- Containment of public sector wages. Possible policy options include zero contractual salary increases in the public sector during the next year, the initiation of a public dialogue with trade unions for a containment of public sector payroll in the medium term, and the re-designing of the system of Cost of Living Allowance (COLA) in order to limit increases in higher income groups
- Dialogue on the restructuring of the public pension system, to be concluded by the end of 2011

Spain

- Public sector wages cut by 5% on average in the second half of 2010 and frozen in 2011

Romania

- Professionalizing civil servants
- Decreasing the share of public wage bill in GDP by 1% in 2012 compared to 2010 level through ensuring gradual recovery by the end of 2012 of the nominal wage reductions of 25% applied in 2010
- Achieving a unitary wage framework in the public sector
- Reforms of public pension system aimed at prolonging working life.

3. Utilities

Regarding utilities (broadly defined), the four countries that announce no reforms in this area are Ireland, Latvia, Spain and Belgium (regarding Belgium, there is a Council recommendation which aims to “boost competition in (...) electricity and gas market). Measures taken by the other countries aim, in particular, to introduce or enhance competition in the energy markets (gas, electricity), passenger transport (railways, bus), post and telecom sectors. This enforcement of competition entails, among other things, privatizations, in particular in Greece and Romania. Other measures relate to the development and

modernization of infrastructures (telecom, research and technological development, transport, etc.).

France :

- Reform of the electricity market in order to increase competition
- Liberalisation in the railway sector: international passenger transport / In road transport: progressive liberalisation of the passenger transport by bus services
- Improving competition in the Post and Telecom sectors

United Kingdom:

- UK's Electricity Market Reform (reforming the renewables obligation) (see Energy/Climate)

Germany:

- Enhancement of competition on electricity and gas markets (draft bill to establish a market transparency authority for wholesale trading of electricity and gas)
- High level of infrastructure investment (transport)
- Enhancement of competition in the rail sector
- Enhanced competition in long-distance bus transport system

Poland

Development and modernization of:

- environmental protection infrastructure
- transport infrastructure
- energy infrastructure
- ICT infrastructure
- R&D infrastructure
- social infrastructure (housing, education, healthcare)

Greece:

- Wide-ranging privatization programme spanning the state's holdings in rail, road transport, airports, ports, utilities, the gaming industry, and public real estate development

Czech Republic:

- Promoting competitiveness by improving transport infrastructure
- Public investment for the development of the business environment (science, research, innovation and transport infrastructure)

Denmark:

- Green transport policies (see Public sector)
- Energy Strategy 2050 (Climate change)

Cyprus:

- The (public) spending priorities include infrastructural investment, with emphasis on energy and transport, IT development, innovation, research, education and health.

Romania:

- Privatization/restructuring/sale actions: Petrom, Romgaz, Transgaz, Transelectrica, etc.

4. Healthcare

In the field of healthcare, seven countries among the thirteen examined, have announced measures aimed, in almost all cases, at reducing expenses. Five countries (DE, GR, CZ, CY, RO) are implementing reform of their healthcare systems in order, among other things, to reorganize them, put in place mechanisms to control spending, limit expenses, better manage drugs supplies (generics, public procurements, etc.). Only two countries are considering also taking measures designed to enhance access to health services for disadvantaged people (DK, RO).

Germany:

- Financial reform of the statutory health insurance system. Limiting spending (no increase in administration-related spending; 30% reduction for services which hospitals additionally agree; maximum increase of hospital budgets; limiting remuneration levels, etc.). Strengthen the financial basis of the Statutory Health Insurance Scheme.

Council Recommendations (July 2011):

(1) (...) Maintain a growth-friendly consolidation course, in particular (...) by further enhancing the efficiency of public spending on health-care and long-term care.

Poland:

- Implementation of prophylactic and rehabilitation actions in the scope of health care designed to enable people to remain longer on the labour market

Greece:

- The healthcare sectors of all major social insurance funds (IKA, OGA, OAEE, Public Sector) will be separated from their pension counterparts and form a single healthcare insurance fund which will henceforth act as a single buyer of medicines and health care service for all insured persons, thus acquiring higher bargaining power against suppliers
- Measures to enhance the mechanism for monitoring healthcare spending / Price Monitoring Tool
- New legal framework concerning procurement of health supplies and drug tenders
- New systems for the management and pricing of pharmaceuticals that favour higher use of generic medicines
- Monitoring of doctors' prescriptions (e-prescription)
- €5 admission fee for regular outpatient services (from 3€)
- Completion of the programme of hospital computerization

Czech Republic:

Ensuring the sustainability of public finances through a meaningful healthcare system reform. This reform includes:

- clarification of the patients' status and their rights and obligations
- setting of guidelines for healthcare provision
- establishment of healthcare reimbursement standards
- implementation of effective control mechanisms as regards introduction of new health technologies
- streamlining of the education and training system for the healthcare workforce
- revision of rights and obligations of health insurance funds to ensure greater transparency
- support for eHealth system and information technology

Denmark:

- Linked with social inclusion: initiative targeted at chronically ill people, an enhanced treatment effort targeted at mentally ill people, and a national action plan for prevention, which can help increase employment (see: Social inclusion)

Cyprus:

Reform of the Health Care System:

- Public Hospitals Transformation (Autonomisation/ Reorganisation)
- Implementation of the National Health Insurance System (NHIS)

Council Recommendations (July 2011):

(3) Improve the long-term sustainability of public finances by implementing reform measures to control pension and healthcare expenditure in order to curb the projected increase in age-related expenditure. (...) For healthcare, take further steps to accelerate implementation of the national health insurance system.

Romania

- National Healthcare system reform: decentralization process, rehabilitation, modernization and equipping of health services; starting the implementation of the co-payment mechanism
- Improving the access of vulnerable persons to healthcare services, by developing an adequate healthcare infrastructure and by raising the quality of the medical services (social inclusion)
- Accelerating the process for reducing the general government arrears by restructuring the health sector (public finances)

5. Education / Training

Among the seven specific topics covered by this report, only two (education, social inclusion) are subject to statistical indicators at the European level. As a reminder, in education, this is to reduce the drop-out rate to below 10%, and to achieve a rate of at least 40% of the population aged 30-34 years with tertiary education (or equivalent). These statistical indicators can be adapted to national circumstances and therefore diverge somewhat from these guidelines. In general, the measures outlined in the NRP can be grouped into seven general categories containing:

- access to educational facilities and their availability (FR, UK, IE, CZ, DK, ES)
- strengthening of vocational training and apprenticeship (FR, UK, PL, LV, RO, ES)
- lifelong training (FR, PL, LV, NL, RO)
- the issue of certification, assessment, curriculum (GR, CZ, RO, ES)
- the general organization, restructuring and structural reforms (GR, DK, RO)
- focus on targeted people (DE, IE)
- better matching education with the needs of the labour market (DE, CY).

France:

National target: 9.5% drop-out rate, 50% of people aged 17-33 with tertiary education

- Quality schooling for all
- Fight against school drop-out (better tracking, "2nd opportunity schools", experimental facilities)
- Reform of the vocational training system
- Work/study programme ("apprenticeship contract" and "advanced training contract")
- Reform of the "lycée"
- Introduction of information technology in schools
- Mobility and lifelong learning

- Increasing the participation in higher education

Council Recommendations (July 2011):

(3) Encourage access to lifelong learning in order to help maintain older workers in employment and enhance measures to support return to employment. Step up active labour market policies (...)

United Kingdom:

(Education and skills are a devolved power, with each of the administrations – England, Northern Ireland, Scotland, Wales – making their own policy decisions)

- Improving the contribution of the education system to human capital formation including through a broader skills base (Bottleneck): school reform, further education, vocational education (+ regional administration: Wales, Scotland, etc.)
- Reducing early school-leaving
- Apprenticeships
- Reform of higher education to make it sustainably financed, to ensure the quality of teaching, and to remain accessible for those who have the talent to succeed

Council Recommendations (July 2011):

(3) (...) Address skill shortages by increasing the numbers attaining intermediate skills, in line with labour market needs

Germany:

National target: reduction of the percentage of drop-outs to less than 10% of all individuals aged 18-24; increasing to 42% the share of 30-34 year-olds having completed tertiary or equivalent education

- Increase educational opportunities for all children (particularly for vulnerable children) right from the beginning; expand and develop the childcare infrastructure; more social equality in education
- Better collaboration between schools, youth welfare services and labour market stakeholders; transition from the school environment to a profession; improve the quality of school education; reduce the school drop-out rate
- Focus on socially disadvantaged young people, young people with learning difficulties or disabilities, and young people with an immigrant background
- Expand tertiary education

Council Recommendations (July 2011):

(1) (...) Maintain a growth-friendly consolidation course, in particular by safeguarding adequate expenditure on education (...)

(3) Enhance participation in the labour market by improving equitable access to education and training systems (...)

Poland:

National target: decreasing to 4.5% the percentage of early school-leavers; increasing to 45% the percentage of people with higher education in the 30-34 age group

- Modernization of general and vocational education, including adult education
- Delivery of a systemic project entitled 'Development of human resources by promoting knowledge, as well as by transferring and promoting innovation'
- Higher Education Development Programme
- Modernization of higher education
- Implementing of National Qualifications Framework within the education system
- Delivery of the universities development programmes
- Modernization of educational and vocational education and adult education
- Change of educational principles and better access to preschool and primary education
- Implementation of lifelong learning policies

Council Recommendations (July 2011):

(4) Implement the proposed lifelong learning strategy, enhance apprenticeships and dedicated vocational training and education programmes for older and low-skilled workers. Strengthen links between science and industry by implementing the 'We build on Knowledge' programme ('Budujemy na Wiedzy'); Implement the higher education reform programme 'Partnership for Knowledge' ('Partnerstwo dla Wiedzy') so as to better align educational provision with labour market needs

Ireland:

National target: to reduce to 8% the proportion of 18-24 year old with at most lower secondary education and not in further education and training; to increase to at least 60% the share of 30-34 year olds who have completed tertiary or equivalent education.

- Early School Leaving: "Delivering Equality of Opportunity in Schools" (national action plan focusing on the needs of 3 to 18 year olds from disadvantaged communities)
- Tertiary Education: "National Strategy for Higher Education to 2030"; "National Plan for Equity of Access to Higher Education 2008-2013"

Greece:

National targets: the share of early school-leavers should be under 10% and at least 32% of the younger generation should have a tertiary degree.

- Overhauling the educational system in order to improve the quality of the country's human capital: reform programme of mergers for school units in the primary and secondary level of education; public education reform in order to improve efficiency
- "New School Policy": all-day, inclusive, digital, sustainable and innovative school
- Modern study curriculum, school evaluations, pedagogical training and evaluation for teachers, focus on vulnerable groups, digital and technological school, LifeLong Learning, establishment of an Institute of Educational Policy, establishment of an International Group of Experts for the study of primary and secondary education issues
- Tertiary education: modernization of the admissions system, digitalized textbooks, International Advisory Council, etc.

Latvia:

National targets: tertiary education target (34-36% of population aged 30-34 in 2020); decreasing the share of early school-leavers (to 13.4% in 2020)

- Structural changes in vocational education
- Modernization of higher education
- Implementation of the lifelong-learning principle (development of national qualifications framework, assessment of knowledge, skills and professional competence acquired outside formal education, reducing the number of early school-leavers, improvement of employee qualifications in accordance with employers' requirements)

Czech Republic:

National targets: a maximum drop-out rate of 5.5%; 32% of persons aged 30–34 years with tertiary education.

- Improving the Quality and Availability of Preschool Education
- Systematic Improvements in the Quality of Education and Reform of the Primary and Secondary Education System (uniform system of student assessment, equal access to education, better conditions for teachers, secondary education reform, support for further education of adults)
- Tertiary Education Reform

Council Recommendations (July 2011):

(6) Establish a transparent system of quality evaluation of academic institutions and link it to its funding in order to improve the performance of tertiary education.

Denmark:

National targets: Less than 10% school drop-out rates of the population aged 18-24 in 2020; at least 40% of the population aged 30-34 having completed tertiary or equivalent education in 2020

- Comprehensive primary and lower-secondary school initiative
- Agreement on the implementation of the globalization fund: DKK 15 billion allocated to strengthen upper secondary education, higher education and adult and continuing education (2007-2012)
- Welfare Agreement (Universities): to ensure that more young people complete a higher education and to reduce the completion age
- Reform of the governance of the publicly funded and independent education institutions in order to ensure more and better education for the money

Council Recommendations (July 2011):

(3) Speed up the implementation of reforms to improve the quality of the education system. Reduce drop-out rates, particularly in the vocational education sector, and increase the number of apprenticeship places available.

Cyprus:

National targets: increase the share of the population aged 30-34 having tertiary education; reduce the rate of early school-leavers

- Strengthening the links between technical vocational education, training and the labour market

Council Recommendations (July 2011):

(5) Take further steps, within the reforms planned for the vocational education and training system, to match education outcomes to labour market needs better, including by setting up post-secondary vocational education and training institutes. Take measures to increase the effectiveness of the vocational training system by increasing the incentives for and improving access to vocational education and training, especially for the low-skilled, women and older workers.

Spain:

National targets: attaining a 15% early school leaving rate by 2020, compared with the latest available figure of 31.2% in 2009; 44% of the young population with tertiary education

- Initial Professional Qualification Programmes (PCPI).
- grants policy
- Reinforcement, Guidance and Support Scheme (PROA)
- Programme to reduce the early-school-leaving rate
- Ministry of Education Action Plan 2010-2011
- measures to promote vocational education
- measures for the comprehensive improvement of the vocational training system
- adaptation of higher education to the Bologna system
- university 2015 Strategy
- providing greater flexibility in access to advanced vocational education and in the transition between vocational education and university

Council Recommendations (July 2011):

(6) (...) ensure a close monitoring of the effectiveness of the measures set out in the National Reform Programme to reduce early school leaving, including through prevention policies, and facilitate the transition to vocational education and training

Belgium:

National targets: (responsibility of the Flemish, French-speaking and German-speaking Communities): Tertiary (30-34 years being educated to higher education level) + Early school leavers

- Increasing lifelong learning for employees and the qualification of jobseekers (penalty mechanism against sectors failing to make additional training efforts)

Romania:

National targets: Reducing early-school-leaving rate, and increase the share of population aged 30-34 with tertiary-level education

- Reforming the Romanian education system
- Drafting of the national lifelong-learning strategy
- Drafting the reference curricula framework focused on skills upgrading
- Apprenticeship at work
- Measures aimed at continuous vocational training
- Improvement of pre-university education system flexibility

6. Poverty / Social inclusion

As in the previous chapter (Education), the topic of Poverty and Social inclusion is the second one which is subject to statistical indicators at the European level. As a reminder, in this area, the aim is: at least 20 million fewer people in or at risk of poverty and social exclusion. Member states have a *marge de manoeuvre* in order to adapt this indicator to national circumstances. The main measures are related to :

- Specific actions towards targeted people (disabled, elderly, migrants, etc.): most of these actions are linked with active policies (FR, DE, PL, IE, GR, LV, CZ, DK, CY, ES, RO)
- Development of social services (PL, GR, CZ, DK, RO)
- Reforming the welfare system (UK, LV, CZ, CY, RO)
- Income (protecting income, fight against indebtedness, income inequality) (IE, GR, LV, SP, B)
- Housing (FR, CZ, ES)
- Social economy (FR, PL, GR)
- Special attention to children and education (UK, PL, GR).

As mentioned in the preliminary remarks, the EAPN network is very suspicious (at least) about the relevance of these national measures in the fight against social exclusion and poverty. According to the report mentioned, "the failure to reach the EU poverty target and the evidence of cherry-picking and gaming by some Member States reflects a lack of seriousness about poverty reduction and is unacceptable" (EAPN, 2011). Furthermore, "The policies proposed to combat poverty, are skimpy, inadequately detailed and overly focused on employment, instead of investing in comprehensive, multidimensional rights'- based approaches, backed by strong social protection systems". And this, in a context where the macro-economic approach focused on stability and competitiveness is likely to generate increased poverty, exclusion and inequality in the EU.

France:

National target: reduction of 1/3 of poverty in 2007-2012

- "Revenu de solidarité active" (RSA): improving the participation to the labour market of disadvantaged people
- specific financial support for disabled and elderly
- housing policy for disadvantaged persons (national strategy 2009-2012)

- ensure the effectiveness of the fundamental rights
- develop the social economy (non-profit sector, co-operative and mutual organisations)

United Kingdom:

- Transforming children's life chances: by early intervention programmes to support families in greatest need
- Increasing social mobility and tackling child poverty (Child Poverty Strategy)
- Reforming welfare systems: to tackle the causes of poverty through a welfare system for the whole UK that recognises work as the primary route out of poverty, by aiming to reduce the number of children in workless households (see Labour market: Universal Credit, Work Programme)
- Improving education (see Education)

Council Recommendations (July 2011):

(4) Take measures, within current budgetary plans, to reduce the number of workless households by targeting those who are inactive because of caring responsibilities, including lone parents

Germany:

Reducing poverty: reducing the number of long-term unemployed people (longer than one year) by 20% by 2020; it means a decrease of roughly 330,000 long-term unemployed

- Greater inclusion of population segments at the margins of the labour market ("inclusive labour market"): cut long-term unemployment, civic work, federal volunteer service
- Integration of people with an immigrant background into the labour market
- Create and sustain employment opportunities for people with disabilities

Poland:

National target: Lowering of people at risk of poverty and/or exclusion and/or living in households of working people or of low labour intensity by 1.5 million

- Increasing the opportunities for employing the persons disadvantaged on the labour market (young persons, poorly educated, the disabled, immigrants)
- Counteracting social exclusion, including among youth at the age of 15 – 24 years
- Social and professional rehabilitation of disabled persons
- Social integration of the immigrants
- Development of social economy sector
- Development of social services system responding the new challenges of social exclusion
- Development of a system for effective support of families with children (ensuring public and affordable access to institutional care to prevent long-term exclusion from the labour market due to child care and developing support system for families facing difficulties in effecting care and parental functions)

Ireland:

National target: To reduce the number experiencing consistent poverty to between 2-4% by 2012, with the aim of eliminating consistent poverty by 2016, which will lift at least 186,000 people out of the risk of poverty and exclusion.

- National Action Plan for Social Inclusion 2007-2016: ensuring that the incomes of the poorest families are protected as much as possible during the economic recession and that these families are enabled to benefit from the economic recovery and growth in employment when it arrives
- The review of national poverty target will conclude in November 2011 to enable the Government to adopt appropriate and achievable national poverty targets
- Focus on four categories: children, people of working age, older people and people with disabilities. And also: economic dependency, exclusion from the labour market

and marginalized location. Other vulnerable groups of concern include migrants, Travellers, ethnic minorities, the homeless, carers and the working poor.

- Cross-cutting measures and linkages with other targets: employment, upskilling, LLL, education, training, targeted social inclusion programmes, welfare reform, energy poverty

Greece:

Poverty target: 450.000 fewer people should be at risk of poverty

- Increase the effectiveness of social programmes and better coordination between Ministries, agencies and local government. Key public policy reforms
- Access to employment-inclusive labour markets (Social Cooperative Enterprise for Integration; local integrated employment programmes; combating undeclared work)
- Social protection and access to essential services; Sustainability of the pension system
- Breaking the intergenerational transmission of poverty: child poverty and youth (inclusion in the labour market, access to social services, upgrading institutions and services)
- Social inclusion and antidiscrimination (migrants, special actions against domestic violence, action plan for people with disabilities, mental health, social inclusion of the Roma, homelessness and house deprivation)
- Consumer protection : fight against over indebtedness
- Social innovation, contribution of EU funds, mobilizing financial resources.

Latvia:

Poverty reduction target (21% share of persons at-risk-of-poverty, or by lifting 121000 people out of the risk of poverty in 2020)

- Reduction of income inequality
- Social protection measures directed towards families with children
- Encouraging population at risk of poverty and social exclusion to participate in the labour market
- Eliminating discrimination threats and stereotypes, as well as fostering participation of civil society

Czech Republic:

National targets: Maintaining number of people at risk of poverty, material deprivation, or living in jobless households up to 2020 compared to 2008/Reducing the number of people at risk of poverty, material deprivation, or living in jobless households by 30,000.

- Comprehensive social security reform focusing on growth and employment in five key areas: benefit system, care for people with disabilities, security of people in poverty, labour law and family policy and child care. The number of non-insurance benefits in social protection will be reduced and aggregated into larger units
- The main instrument for poverty reduction and social exclusion is an appropriately focused employment policy incorporated into the broader context of the promotion of the domestic economy's competitiveness
- For older people: pension reform
- For women: measures to promote reconciliation of family and work
- Better targeting of assistance to those who really need it
- Social inclusion of persons with disabilities
- Quality social services for the needy
- Financial literacy (over indebtedness)
- Social inclusion of the Roma and other groups
- Social housing

Denmark:

Target : Reduce the number of people in households with low work intensity by 22,000 towards 2020

- Employment: Labour market reforms to increase the labour supply and employment
- Education: initiatives supporting the goal that 95% of a youth year should complete a youth education
- Social policy: to ensure that a far greater number of residents in the socially disadvantaged housing areas find employment (young single mothers, disadvantaged children, young people, mentally ill and disabled people)
- Integration: getting more young people with non-Danish ethnic backgrounds to complete vocational training
- Health: initiative targeted at chronically ill people, an enhanced treatment effort targeted at mentally ill people, and a national action plan for prevention, which can help increase employment

Cyprus:

Reduce the number of people at risk of poverty and social exclusion. Target groups: people aged 65+, children, working poor, Unemployed and inactive population, Vulnerable groups

- Reform of the Public assistance for a framework which will better address the needs of vulnerable groups (timeline 2011-2012)
- Training and work experience programmes for unemployed, inactive people, newcomers to the labour market, young secondary and tertiary education graduates and persons in disadvantaged groups, in order to continuously improve the skills of the labour force.

Council Recommendations (July 2011):

(3) (...) taking care to address the high at-risk-of-poverty rate for the elderly

Spain:

- Increase the income of households with members of working age
- Promoting active inclusion
- Reduce the poverty risk of certain segments of the population
- Guarantee access to decent housing or accommodation

Belgium:

Social cohesion: reducing the number of people faced with poverty and social exclusion by 380,000 come the year 2020, compared with the reference year (2008): 59 specific measures for incomes, health, employment, housing, access to energy and public services

- To guarantee the link to the cost of living for those receiving welfare payments, we are set allow a 2% increase in the integration income (RI) and any financial social assistance, income replacement benefits (ARR) and the guaranteed income for the elderly (GRAPPA), starting from 1 September 2011. The budgetary impact is put at € 18 million in 2011 and € 66 million in 2012.

Romania:

- Reform of the social assistance system, including social benefits and services
- Combating poverty by active social inclusion
- Developing the social infrastructure"

7. Local and Regional Administration

The focus on local and regional administration in the NRP is not shared by many countries and seems to be not a priority; while we must keep in mind that a lot of measures taken in the social area (education, fight against social exclusion, vocational training, etc.) are, in some countries such as BE, UK and DE, concretely implemented at the local or regional level. The main feature in this topic is fiscal discipline in the local administration.

United Kingdom:

- Reform public services, to shift power away from central government to the local level and improve value for money
- Performance and Transparency at the Devolved Administrations level (Northern Ireland, Wales, Scotland, England)

Poland:

- Increasing the effectiveness of public funds use, including implementation of contract-based development management between the governmental administration and local authorities

Greece:

- “Kallikrates” programme for the restructuring of local public administration which lays down a number of measures for ensuring a strengthened role of local governments while guaranteeing their financial independence and fiscal discipline

Latvia:

- Reducing state co-financing to municipalities for social protection measures
- Restricting the borrowing possibilities of municipalities
- Strengthening capacity of municipalities in attraction of companies and investments

Spain:

- Cutting red tape (public procurement, municipal licenses, industry regulations in the Autonomous Communities, etc.)

Romania:

- Accelerating the process for reducing the general government arrears by (...) strengthening the budget discipline of the local authorities by implementing the recently introduced amendments to the Law 273/2006 on local public finance

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National Reform Programme of Belgium.

National Reform Programme of Romania.

National Reform Programme of Ireland.

National Reform Programme of Greece.

Annexe 1

| NRP Indicators | Macroeconomic surveillance/ scenario | AGS | 5 Targets | 10 Guidelines | Euro+ Pact | SSI Growth + Flagship | Other |
|-----------------------|---|-----|-----------|---------------|------------|--------------------------|-------|
| UK | x | x | X | x? | | | |
| DE | | x | X | | x | | |
| FR | x | | | X | x | | |
| DK | | | X | | | | x |
| PL | x | | X | | x | x | |
| LT | x | | X | | | | x |
| BE | x | | X | | | | x |
| ES | x | | X | | | | |
| RO | x | | X | | x | | x |
| CY | x | | | X | x | | |
| CZ | x | | x? | x? | x? | | |
| IE | x | | X | | | | |
| IT | x | x | | | x | | x |
| GR | x | | X | | | | |
| | | | | | | | |

Annexe 2

Council Recommendations (July 2011)

| | Labour market | Pensions | Education and Training | Wages | Social exclusion | Healthcare | Public services | Others (summary) |
|-----------|--|---|------------------------|---|------------------|------------|-----------------|---|
| BE | (5) Improve participation in the labour market by reducing the high tax and social security burden for the low-paid in a budgetary neutral way and by introducing a system in which the level of unemployment benefits decreases gradually with the duration of unemployment. Take steps to shift the tax burden from labour to consumption and to make the tax system more environmentally friendly. Improve the effectiveness of active labour policies by targeting measures at older workers and vulnerable | (2) Take steps to improve the long-term sustainability of public finances. In line with the framework of the three-pronged EU strategy, the focus should be put on curbing age-related expenditure, notably by preventing early exit from the labour market in order to markedly increase the effective retirement age . Measures such as linking the statutory retirement age to life expectancy could be considered. | | (4) Take steps to reform, in consultation with the social partners and in accordance with national practice, the system of wage bargaining and wage indexation , to ensure that wage growth better reflects developments in labour productivity and competitiveness. | | | | (1) Correction of excessive deficit; (3) address the structural weaknesses in the financial sector; (6) boost competition in the retail sector and electricity and gas market |

| | Labour market | Pensions | Education and Training | Wages | Social exclusion | Healthcare | Public services | Others (summary) |
|-----------|---|---|---|--|--|---|--|---|
| | groups. | | | | | | | |
| CY | | (3) Improve the long-term sustainability of public finances by implementing reform measures to control pension and healthcare expenditure in order to curb the projected increase in age-related expenditure. For pensions, extend years of contribution , link retirement age with life expectancy or adopt other measures with an equivalent budgetary effect, while taking care to address the high at-risk-of-poverty rate for the elderly. | (5) Take further steps, within the reforms planned for the vocational education and training system, to match education outcomes to labour market needs better, including by setting up post-secondary vocational education and training institutes. Take measures to increase the effectiveness of the vocational training system by increasing the incentives for and improving access to vocational education and training, especially for the low-skilled, women and older workers. | (4) Take steps to reform, in consultation with social partners and in accordance with national practices, the system of wage bargaining and wage indexation to ensure that wage growth better reflects developments in labour productivity and competitiveness. | (3) (...) taking care to address the high at-risk-of- poverty rate for the elderly (see "Pensions") | (3) (see also Pensions) Improve the long-term sustainability of public finances by implementing reform measures to control pension and healthcare expenditure in order to curb the projected increase in age-related expenditure . (...) For healthcare, take further steps to accelerate implementation of the national health insurance system . | | (1) Correction of the excessive deficit; (2) Strengthen the prudential framework for supervision of banks and cooperative credit societies (6) Abolish obstacles to the establishment and free provision of services; (7) Increase the diversity of the energy mix and the expansion of renewable energy sources; ensure more sustainable management of water resources. |
| CZ | (3) Enhance participation in the labour market by reducing the barriers for parents with young children | (2) Implement the planned pension reform in order to improve the long-term sustainability of | (6) Establish a transparent system of quality evaluation of academic institutions and link | | | | (4) Improve the performance of the public employment service in order to increase the | (1) Implement the planned consolidation; adopt fiscal measures; improve the efficiency of public |

| | Labour market | Pensions | Education and Training | Wages | Social exclusion | Healthcare | Public services | Others (summary) |
|--|---|--|--|-------|------------------|------------|---|--|
| | to re-enter the labour market through increased availability and access to affordable childcare facilities . Increase the attractiveness and availability of more flexible forms of working arrangements, such as part-time jobs. | public finances and to ensure the future adequacy of pensions. Additional efforts should focus on further changes to the public pillar to ensure that the system is not a source of fiscal imbalances in the future, and on the development of private savings . With a view to raising the effective retirement age , measures such as a link between the statutory retirement age and life expectancy could be considered. Ensure that the envisaged funded scheme attracts broad participation, and is designed to keep administrative costs transparent and low. | it to its funding in order to improve the performance of tertiary education . | | | | quality and effectiveness of training, job search assistance and individualised services, linking funding of programmes to results. In cooperation with stakeholders, extend tailor-made training programmes, for older workers, young people, low skilled and other vulnerable groups. (5) Take the necessary measures to improve the quality of public services in areas essential for the business environment (...) | investments; increase indirect tax revenue and shift taxes away from labour; improve tax compliances, reduce tax evasion; correcting the excessive deficit (5) (...) Speed up the implementation of the anti-corruption strategy; promote stability and effectiveness of the public administration; address the issue of anonymous share holding |

| | Labour market | Pensions | Education and Training | Wages | Social exclusion | Healthcare | Public services | Others (summary) |
|-----------|--|--|---|--|------------------|------------|---|---|
| DK | (2) (take further steps to increase long-term labour supply, by...) better targeting subsidised employment schemes (the "flex-job" system) towards the most vulnerable groups . | (2) To strengthen employment and sustainability of public finances, take further steps to increase long-term labour supply, by implementing the recently concluded reform on the voluntary early retirement pension (VERP) scheme, reforming the disability pension (...) | (3) Speed up the implementation of reforms to improve the quality of the education system . Reduce drop-out rates , particularly in the vocational education sector, and increase the number of apprenticeship places available. | | | | | (1) Correct the excessive deficit;(4) Remove obstacle to competition, in particular in local services and the retail sector;(5) Strengthen the medium-term stability of the housing market and the financial system |
| FR | (2) Undertake renewed efforts, in accordance with national practices of consultation with the social partners, to combat labour market segmentation by reviewing selected aspects of employment protection legislation while improving human capital and facilitating upward transitions (...) | (1) (...) continue to review the sustainability of the pension system and take additional measures if needed | (3) Encourage access to lifelong learning in order to help maintain older workers in employment and enhance measures to support return to employment . Step up active labour market policies (...) | (2) (...) ensure that any development in the minimum wage is supportive of job creation | | | (3) (...) introduce measures to improve the organisation, decision-making, and procedures of the public employment service to strengthen services and individualised support provided to those at risk of long-term unemployment | (1) Correct the excessive deficit;(4) Increase efficiency of the tax system (from labour towards environmental and consumption taxes); reduction in the number and cost of tax and social security exemptions ("niches fiscales"); (5) Remove restrictions on regulated trades and professions (services and retail sector in particular) |

| | Labour market | Pensions | Education and Training | Wages | Social exclusion | Healthcare | Public services | Others (summary) |
|-----------|---|---|--|-------|------------------|--|-----------------|--|
| DE | <p>(3) Enhance participation in the labour market (...) by taking further steps to reduce the high tax wedge in a budgetary neutral way and improve work incentives for persons with low income perspectives. Increase the number of fulltime childcare facilities and all-day schools. Closely monitor the effects of recent reform measures to reduce tax disincentives for second earners and take further measures in case disincentives remain</p> | | <p>(1) (...) Maintain a growth-friendly consolidation course, in particular by safeguarding adequate expenditure on education (...) (3) Enhance participation in the labour market by improving equitable access to education and training systems (...)</p> | | | <p>(1) (...) Maintain a growth-friendly consolidation course, in particular (...) by further enhancing the efficiency of public spending on health-care and long-term care.</p> | | <p>(1) Bringing the high public debt ratio on a downward path (2) Address the structural weaknesses in the financial sector (4) Remove restrictions on certain professional services and on certain crafts. Improve competition in network industries (rail sector); improve the long-term cost-effectiveness of the Renewable Energy Act, ensuring the effective independence of energy production and transmission, and improving cross-border interconnections.</p> |
| PL | <p>(5) Increase female labour market participation by taking measures to ensure stable funding for pre-school child-care arrangements, to increase enrolment</p> | <p>(3) Raise as planned the statutory retirement age for uniformed services, continue steps to increase the effective retirement age</p> | <p>(4) Implement the proposed lifelong learning strategy, enhance apprenticeships and dedicated vocational training and education programmes for older and low-</p> | | | | | <p>(1) Reduce the general government deficit(2) Introduce a permanent expenditure rule; coordinate the different levels of government(6) Encourage low-carbon emitting</p> |

| | Labour market | Pensions | Education and Training | Wages | Social exclusion | Healthcare | Public services | Others (summary) |
|-----------|---|---|--|--|------------------|------------|-----------------|---|
| | rates of children under three years | such as linking it to life expectancy . Establish a timetable to further improve the rules for farmers' contributions to the social security fund (KRUS) to better reflect individual incomes | skilled workers . Strengthen links between science and industry by implementing the 'We build on Knowledge' programme ('Budujemy na Wiedzy'); Implement the higher education reform programme 'Partnership for Knowledge' ('Partnerstwo dla Wiedzy') so as to better align educational provision with labour market needs | | | | | technologies; develop cross-border electricity grid interconnections; invest in railway infrastructure(7) Simplify legal procedures involved in enforcing contracts; revise construction and zoning legislation |
| ES | (6) Assess by the end of 2011 the impacts of the labour market reforms of September 2010 and of the reform of active labour market policies of February 2011, accompanied, if necessary, by proposals for further reforms to reduce labour market | (2) Adopt the proposed pension reform to extend the statutory retirement age and increase the number of working years for the calculation of pensions as planned; regularly review pension parameters in line with changes | (6) (...) ensure a close monitoring of the effectiveness of the measures set out in the National Reform Programme to reduce early school leaving , including through prevention policies, and facilitate the transition to vocational education and | (5) Following consultation with social partners and in accordance to national practice, complete the adoption and proceed with the implementation of a comprehensive reform of the collective bargaining process and the wage indexation system to ensure that wage | | | | (1) Correct the excessive deficit ; keep public expenditure growth below the rate of GDP growth (3) Restructuring of the financial sector (4) Improving the efficiency of the tax system (from labour towards consumption and environmental taxes) (7) eliminate |

| | Labour market | Pensions | Education and Training | Wages | Social exclusion | Healthcare | Public services | Others (summary) |
|-----------|--|--|---|---|--|------------|-----------------|---|
| | segmentation , and to improve employment opportunities for young people (...) | to life expectancy , as planned, and develop further measures to improve lifelong learning for older workers | training | growth better reflects productivity developments as well as local and firm level conditions and to grant firms enough flexibility to internally adapt working conditions to changes in the economic environment | | | | restrictions to competition; improving business environment; enhancing competition in the product and service markets; reduce administrative burden |
| UK | (3) Take steps by 2012 to ensure that a higher share of young people enter the labour market with adequate skills and to improve the employability of 18-24 year olds who left education or training without qualifications (...) | | (3) (...) Address skill shortages by increasing the numbers attaining intermediate skills, in line with labour market needs | | (4) Take measures, within current budgetary plans, to reduce the number of workless households by targeting those who are inactive because of caring responsibilities, including lone parents | | | (1) Correct the excessive deficit; (2) Develop a programme of reform which addresses the destabilising impact of the house price cycle on public finances, the financial sector and the economy; (5) Improve the availability of bank and non-bank financing to the private sector, in particular to SMEs |

The European Federation of Public Service Unions (EPSU)

It is the largest federation of the ETUC and comprises 8 million public service workers from over 270 trade unions; EPSU organises workers in the energy, water and waste sectors, health and social services and local and national administration, in all European countries including in the EU's Eastern Neighborhood. EPSU is the recognized regional organization of Public Services International (PSI).

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