This report presents the main findings and general recommendations of the 2015 SOLIDAR Social Progress Watch. Based on an extensive consultation with SOLIDAR members and partners, this initiative evaluates progress towards a more social Europe. This year’s report concludes that the European and national policy response to the economic crisis continues to erode the social safeguards that are part of the European social model and its national variations. Rather than ensuring this model’s capacity for upward social convergence, the European Semester’s one-sided austerity measures are found to have a negative impact on our social benchmarks. As such, SOLIDAR advocates strengthening the social dimension of the Semester and safeguarding its capacity for upward social convergence.
This report presents the main findings and general recommendations of the 2015 SOLIDAR Social Progress Watch (SPWI). Based on an extensive consultation with SOLIDAR members and partners, this initiative evaluates the social dimension of the 2014 European Semester. Specifically, this assessment is based on 14 country studies, where national policies are evaluated against six social benchmarks. This year’s report concludes that the European and national policy response to the economic crisis continues to erode the social safeguards that are part of the European social model and its national variations. Rather than ensuring this model’s capacity for upward social convergence, the Semester’s one-sided austerity measures are found to have a negative impact on our social benchmarks. As such, SOLIDAR advocates strengthening the social dimension of the Semester and safeguarding its capacity for upward social convergence. Our recently launched Social Progress Lab is set to develop alternative progressive reforms to make this a reality.

1. INTRODUCTION
The SPWI is a monitoring tool used by civil society organisations from across the European Union (EU), allowing them to speak up together against Europe’s growing inequalities and the high social cost of the economic crisis. SOLIDAR brings these voices to Brussels to advocate their recommendations on their behalf and to give voice to their call to put upward social convergence back at the heart of EU and national policies.

Through the SPWI, SOLIDAR every year monitors the commitment and progress made by national governments towards a more social and cohesive Europe within the framework of the European Semester, i.e. the economic governance process set up by the European Commission (hereinafter ‘the Commission’) to foster growth and prevent excessive macro-economic imbalances. This year’s findings and recommendations are based on the 2014 cycle of the Semester, notably the Country-Specific Recommendations (CSRs) proposed by the European Commission and adopted by the Council of the European Union (‘the Council’). 1

In particular, this monitoring effort and our network’s findings and recommendations are shaped by six social benchmarks (cf. Box 1). These benchmarks represent the six fronts on which SOLIDAR believes progress should be made in order to strengthen upward social convergence in Europe.

- Fighting unemployment through the promotion of inclusive and quality employment and decent work as well as fair mobility
- Improving access to healthcare and quality social services for all as well as quality employment in the healthcare and social sector
- Promoting access to and participation in lifelong learning with a particular focus on non-formal and informal learning
- Strengthening active citizenship and volunteering for social cohesion
- Fighting discrimination and social exclusion
- Promoting, reinforcing, and supporting social economy

Box 1 – The social benchmarks of the SOLIDAR Social Progress Watch Initiative

This year’s report is published against the background of a slow and disappointingly weak recovery of the European labour market. The Commission’s Annual Growth Survey 2015 reports that the ‘[…] ongoing social crisis and the slow recovery [are] hampering efforts to reduce the high levels of unemployment.’ 2 While the EU average shows a slight improvement, the unemployment rate in most countries remains high at best and unsustainably high at worst. More troublesome still is the even higher youth unemployment rate, and ever-increasing long term unemployment.

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1 For an overview of the 2014 governance cycle of the European Semester and all relevant documents, including the CSRs, please see: http://ec.europa.eu/europe2020/making-it-happen/country-specific-recommendations/2014/index_en.htm (retrieved August 28, 2015).
Moreover, the number of European citizens that find themselves at risk of poverty and social exclusion continues to grow.

The ongoing social crisis confronts the European Institutions and national governments with the effects of their policy response to the economic crisis, which has so far focused on one-sided austerity measures. These policies have also eroded the social safeguards offered by the European social model. The structural reforms pursued within the European Semester have been about achieving budgetary and fiscal consolidation, while the social dimension has either been absent or forced to take a backseat to other priorities. While the Juncker Commission has recently given earning a ‘social triple A’ as its ambition, it remains to be seen whether this ambition will materialise in a meaningful shift in policy.3

Against this background, this year’s SPWI report presents a timely evaluation of the extent to which the social dimension is found in the design and implementation of the 2014 European Semester. Firstly, this report presents the main findings and overall trends found in this year’s country studies. Secondly, it presents SOLIDAR’s general recommendations for each of our social benchmarks and it introduces our recently launched Social Progress Lab.

2. MAIN FINDINGS AND OVERALL TRENDS
This year’s SPWI report first presents the main findings and the overall trends found in the country studies. The country studies firstly provide information about the national state of play of social, employment, and educational development, secondly they present the main structural obstacles to the improvement of upward social convergence, and thirdly they propose specific recommendations on how to overcome those obstacles and how to implement the necessary policy reforms to stimulate social progress, inclusive and sustainable growth, and wellbeing.

2.1. Fighting unemployment
The European labour market continues to be plagued by high levels of unemployment, despite showing a slight improvement on average (i.e. 10.2% EU28 in 2014, down from the record high of 10.9% in 2013). It varies widely between EU Member States (e.g. 5.0% in Germany and 5.6% in Austria up to as high as 24.5% in Spain and 26.5% in Greece).4 Moreover, unemployment is becoming entrenched as the long term unemployment rate continues its gradual increase and takes up an ever larger share of the total rate, despite similarly ranging from high (19.5% in Greece and 12.9% in Spain) to low (2.2% in Germany and the United Kingdom and 1.5% in Austria) across the continent.5

The country studies of the 2015 SOLIDAR SPWI provide a tangible insight in the relation between this state of play and the policy response within the 2014 European Semester. The high levels of unemployment continue to trigger a one-sided policy response aimed at more flexible labour market rules and wage setting, despite international institutions such as the International Labour Office (ILO Office) clearly stating ‘[…] that reducing protection for workers does not lower unemployment.’6 For example, the governments of Croatia, France, Greece, Hungary, the Netherlands, and Slovakia are in the process of developing and implementing comprehensive measures and reforms on these lines, thereby doing away with social safeguards and further amplifying the downward pressure on social standards and protection in their labour markets.

In addition to the high levels of (long term) unemployment, the country studies of the 2015 SOLIDAR SPWI show that a broad spectrum of

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vulnerable groups is being pushed to the fringes of the European labour market. First and foremost, the youth unemployment rate remains worryingly high throughout the Union, although it too varies wildly and ranges from high (52.4% in Greece and 53.2% in Spain) to low (7.7% in Germany and 10.3% in Austria). Furthermore, the disadvantaged position of women, older workers, people with disabilities, and people from a migrant background are highlighted by our Strategy Groups, regardless of whether they operate in EU Member States with strong labour markets (e.g. Austria, the Netherlands, and the United Kingdom) or weak labour markets (e.g. Bulgaria, Croatia, France, Greece, Italy, Romania, Slovakia, Serbia, and Spain).

The social crisis in the European labour market is made worse by rising inequalities partially caused by ‘the changing nature of jobs’. The ILO Office’s 2015 World Employment and Social Outlook report ‘[…] reveals a shift away from the standard employment model, in which workers earn wages and salaries in a dependent employment relationship vis-à-vis their employers, and have stable jobs and work full time.’ Similarly, the Organisation for Economic Co-operation and Development (OECD) in a recent report adds that job creation in its member countries since the 1990s has predominantly relied on so-called ‘non-standard work’ contracts. Instead, workers in developed economies increasingly find themselves forced into low quality jobs with limited social safeguards and future prospects.

The country studies of the 2015 SOLIDAR SPWI provide tangible insights for this trend, finding ample evidence of increasing inequality between workers within and workers outside the standard employment model. The SOLIDAR EU Strategy Groups in Austria, France, Italy, and Spain explicitly highlight the rising phenomenon of the so-called ‘working poor’ in their countries, while our Strategy Groups in Spain and the United Kingdom more generally highlight the increase of inequality and the decrease of job quality which can be consequence of the rise of non-standard or a-typical employment contracts. Moreover, disadvantaged groups in the labour market are disproportionately affected by the negative effects of the changing nature of jobs. The clearest example is provided by our EU Strategy Group in the United Kingdom, which highlights a disproportionately high 34% of workers on so-called ‘zero-hours contract’ (i.e. uncertain employment contracts wherein the number of working hours is not specified) are young people aged 16 to 24, creating an additional challenge on top of their high unemployment rate.

2.2. Improving access to healthcare and quality social services for all

The country studies of the 2015 SOLIDAR SPWI highlight the negative impact of European austerity measures on the access to and quality of health and social services. Rather than investing in these services as a prerequisite for upward social convergence and inclusive economic growth, the CSRs of the 2014 European Semester evaluate them from a budgetary and fiscal perspective, i.e. urging EU Member States to increase the cost-effectiveness of their health and social services. Our EU Strategy Groups in Austria, Bulgaria, Croatia, France, Germany, Greece, the Netherlands, Romania, Spain, and the United Kingdom indicate a one-sided focus on the cost-effectiveness of health and social services. In each case, it is reported that this creates a downward pressure on the access to, and quality of, these services, thereby straining their capacity to act as social safeguards.

The downward pressure on health and social services is especially troublesome in countries that faced a slow and disappointing weak eco-

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vulnerable for emerging issues that threaten the smooth function of their labour markets. Germany, the Netherlands and the United Kingdom are scaling down public spending on access to, and participation in, lifelong learning, despite projected skill shortages that are set to hinder the labour supply in the near future. Furthermore, in Germany, the decrease in public spending compounds the problems of the long term unemployed, who are not sufficiently supported by German labour market policies. German policies focus on the short term unemployed who are not in need of additional education and training.

2.4. Strengthening active citizenship and volunteering for social cohesion

The country studies of the 2015 SOLIDAR SPWI reveal that the work of volunteers is increasingly relied on as an alternative to maintain access to, and the quality of, public services. As public institutions are confronted with the 2014 European Semester’s focus on budgetary and fiscal consolidation, countries with a strong tradition of volunteering have started using this as a resource to offset the negative effects of austerity measures on public services. Our EU Strategy Groups in Germany, the Netherlands, and the United Kingdom report that their governments are developing plans to use volunteers to provide certain social and health services that will no longer be offered by public institutions. In France, youth volunteering is being considered as a tool to prevent the radicalisation of at-risk youth, especially in the wake of the attack against Charlie Hebdo in January 2015.

The SOLIDAR EU Strategy Groups are critical of this trend and its underlying, austerity-driven motivation. Firstly, it is repeatedly pointed out that the volatile nature of volunteering makes it an unstable resource to maintain access to and the quality of public services. This issue is further compounded by the outdated or vague legal frameworks that exist in several countries, notably Austria, Bulgaria, and Italy, which do not clearly spell out the rights and duties of volunteers.
Secondly, given the austerity-driven motivation of governments to start relying on the work of volunteers, the expanding role of volunteers as service providers is not backed by increased (financial) support and, as such, does little to counter its volatile capacity to provide health and social services.

2.5. Fighting discrimination and social exclusion
The country studies of the 2015 SOLIDAR SPWI provide an overview of the high number of people at risk of poverty or social exclusion in the Union, including specific groups that are prone to discrimination. Our EU Strategy Groups in Austria, Bulgaria, Croatia, France, Germany, Italy, the Netherlands, Romania, Serbia, Spain, and the United Kingdom report on increasingly large groups in society that face these risks as their countries find themselves unable to leave behind the quagmire of slow economy recovery and growing social inequality. Among a diverse set of vulnerable groups, the discrimination faced by people with a migrant background and the Roma population (specifically in eastern Member States) is especially pronounced in the country studies.

It emerged from consultation with the national EU Strategy groups in the framework of the SOLIDAR SPWI 2015 that in practice many legal and practical barriers often prevent migrants and refugees from enjoying their rights. This also represents an obstacle to their integration into their ‘host’ societies. In addition, several violations of the fundamental rights of migrants and refugees along the Western Balkan route have been recorded by SOLIDAR members.

The fight against discrimination and social exclusion is a complex issue that can only be dealt with effectively by coordinated action on all the other social benchmarks found in the 2015 SOLIDAR SPWI. For example, referring to the changing nature of jobs that is pitting workers in the standard employment model against those outside of it, the ILO Office shows that this ‘[...] change in the employment relationship may be fuelling income inequalities [, given that] temporary and informal workers, part-time workers and unpaid family workers, many of whom are women, are also disproportionally affected by poverty and social exclusion.’

2.6. Promoting, reinforcing, and supporting social economy
The country studies of the 2015 SOLIDAR SPWI highlight the unique nature of the social economy as a third sector in the European economy and, moreover, its progressive role in upward social convergence. This sector has generally been more successful in withstanding the downward pressure on social standards and has managed to create sustainable, inclusive and quality jobs throughout the crisis. For example, in Spain, 45% of the jobs created in this sector have gone to people younger than 40, thereby helping in the fight against the country’s high youth unemployment rate. Moreover, 74.4% of contracts in the social economy are permanent and 80% are full-time, thereby countering the growing inequality in the Spanish labour market.

The SOLIDAR EU Strategy Groups are critical of attempts by their respective governments to recast this sector in the same mould as the private sector, i.e. introduce competition and other market-driven mechanisms through new regulations. As Austria, Bulgaria, France, Germany, Italy, and Romania are all in the process of developing and implementing new legal frameworks for the social economy, our Strategy Groups point out that the value-driven nature of this sector sets it apart, notably the strong focus on co-operation, inclusivity, trust, democratic legitimacy, equality and reinvestment of benefits. Regulating the social and the private sector on equal footing endangers the sustainability and quality of the services the social economy provides to people in need.

3. **GENERAL RECOMMENDATIONS**

Following an overview of the main findings and overall trends, this year’s SPWI report presents SOLIDAR’s general recommendations to strengthen the social dimension of the European Semester for each of our benchmarks. By monitoring the design and implementation of the Country Specific Recommendations (CSRs) included in the 2014 Semester, our European network of CSOs (Civil Society Organisations) has found that the policy response to the economic crisis continues to erode the social safeguards that are part of the European social model and its national varieties. Rather than ensuring this model’s capacity for upward social convergence, the Semester’s one-sided austerity measures are found to have a negative impact on our social benchmarks. As such, SOLIDAR advocates strengthening the social dimension of the Semester and safeguarding the capacity of the European social model for upward social convergence.

Recent signals from the European Institutions inspire little hope in terms of a meaningful shift in policy and a strengthened social dimension, despite the prolonged social crisis caused by the slow and disappointingly weak recovery in the European labour market. Firstly, the recently adopted 2015 CSRs only superficially include employment policy and social protection as priority areas in the newly streamlined Semester. Job growth is linked exclusively to more flexible labour market rules and wage setting, while bolstering protective measures for workers is nowhere mentioned. Rather than achieving the Juncker Commission’s ‘social triple A’ ambition, this is a corrosive approach that will further strain the European social model’s capacity for upward social convergence. Secondly, the social dimension of Europe is similarly treated as an afterthought in the ‘Five Presidents’ Report’ of 22nd June 2015. Setting out their vision for the future of European integration,

...it is not encouraging to find that the Presidents of the European institutions believe that the road towards a political union first and foremost runs through a strengthened economic, financial, and fiscal union, while a stronger social union is left by the wayside.

In response, SOLIDAR has expanded the SPWI by launching our Social Progress Lab to develop alternatives to the European Semester’s (the EU’s annual cycle of economic policy guidance and surveillance) one-sided approach. Our Lab is a space to discuss an alternative, social Europe – where high social safeguards are respected and Member States develop together, for more upward social convergence, redistribution, and equality in Europe. Specifically, this Lab will develop progressive structural reforms as alternatives to the ones put forward in the Semester, in the hope of reducing inequalities and promoting quality jobs, inclusive growth, and social investment. Our Social Progress Lab started on Monday 6th July 2015 with a discussion between scholars and independent thinkers that took place in Turin, Italy. This was the first step in a process that will lead to the presentation of an edited volume which will be presented to the European Parliament in December 2015.

In order to strengthen the social dimension of the Semester and safeguard the capacity of the European social model for upward social convergence, SOLIDAR makes the following policy recommendations:

3.1. **Fighting unemployment (in particular youth unemployment) through the promotion of inclusive and quality employment as well as fair mobility**

In order to guarantee inclusive growth in Europe, we call for the promotion in the European Semester process – and in particular in the CSRs – of initiatives aimed at providing inclusive labour market opportunities to vulnerable groups, in particular young people who are not in employment, education and training (NEETs) and

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migrants. The high levels of unemployment have triggered a one-sided policy response aimed at more flexible labour market rules and wage setting, despite international institutions finding that these types of measures do little to decrease unemployment. Instead, the SOLIDAR EU Strategy Groups call for more investments in active labour market policies, and the capacity of public employment agencies to effectively target vulnerable groups suffering from the growing inequalities on the European labour market. As in our view the realisation of an inclusive and cohesive society goes beyond a workfare approach, we believe that lifelong learning opportunities including non-formal and informal learning should be part of employment policy strategies – for instance by integrating lifelong learning as a crucial component of active labour market policies.

3.2. Improving access to healthcare and quality social services for all as well as quality employment in the healthcare and social sector

We promote the idea of ensuring universal access to social services as a pre-requisite to combating poverty and achieving equality and social cohesion. In recent years, health and social services have served as effective social safeguards against the worst effects of the economic crisis. As such, it is troublesome that they are being approached from a cost-effective perspective in the 2014 European Semester, which creates the risk of eroding the capacity of these services to shield people from poverty and social exclusion. Due attention must be given to access to quality services. Furthermore, we believe quality healthcare and social services are inextricably linked to decent work and quality employment. We support the creation of sustainable quality employment and decent work conditions that would also have the effect of attracting people to the sector and thereby better exploit its employment potential.

3.3. Promoting access to and participation in lifelong learning, with a particular focus on non-formal and informal learning

To reduce inequalities and support the well-being of society, we promote the idea of making lifelong learning a reality for all, encouraging participation in lifelong learning, especially for those who are far from education, have a weak income position, young adults not in employment, education and training (NEETs), early school leavers, and people at the risk of skills deterioration. Rather than limiting public spending on lifelong learning, governments should invest in this venue for vulnerable groups to improve their position in the difficult European labour market. Moreover we call on European Institutions and Member States to work on the recognition and validation of learning outcomes of non-formal and informal learning in order to bridge the gap between labour market needs and available qualifications.

3.4. Strengthening active citizenship and volunteering for social cohesion

SOLIDAR believes that people’s empowerment and social engagement such as volunteering are crucial foundations in the creation of a more cohesive society in which every individual can fully participate through realising her/his own potential and contribute to the well-being of their communities. An open and inclusive society, providing room for all to participate in decisions, is necessary to strengthen social cohesion as well as advance the values of solidarity, social justice and social responsibilities. The work of civil society organisations that are active in promoting people’s engagement and participation in society has a direct impact on the realisation of a more cohesive and equal society. In this way, also in the context of the social dimension of the Economic and Monetary Union, their contribution should be taken into account. However, the positive contribution of volunteers to society should not be mistaken or misused as a cost-effective alternative to maintain access to and the quality of public services. While European governments are increasingly tempted to rely on the work of volunteers as public institutions scale down their services due to austerity measures, the volatile
nature of volunteering does not allow it to be used in this manner.

3.5. **Fighting discrimination and social exclusion**

SOLIDAR promotes a rights-based approach to removing obstacles for vulnerable, excluded and marginalised people when accessing their rights - the marginalised have a right to equal opportunities and equal treatment. In order to create inclusive and equal societies, opposing discrimination based on social origin, gender, age and disability for access to jobs, or in society generally, is a crucial factor to be taken into account when developing policy strategies to eradicate poverty and when developing strategies to decrease social exclusion.

3.6. **Promoting, reinforcing, and supporting social economy**

We call for the full recognition and promotion of social economy as an alternative economic model based on the values of co-operation, inclusivity, trust, democratic legitimacy, equality and reinvestment of benefits which supports the creation of sustainable, inclusive and quality jobs, as well as improving the availability and quality of social services. Specifically, SOLIDAR recommends that governments take into account the unique, value-driven nature of the social economy when promoting, reinforcing, and supporting this sector, which cannot be regulated on an equal footing with the market-driven private sector. We call on the European Institutions and Member States involved in the European Semester process to support the development of social enterprises, which are on the front line of making tangible steps towards fighting poverty and social exclusion and empowering people to create more social cohesion.

Some of the concrete proposals coming from our members include:

- The development of indicators and variables that enable measuring the impact of the actions of social and environmental organisations. The development of these indicators will enable governments to define more clearly the impact of the various activities that are measured. This will help create tax systems that both penalise practices with very negative impacts and boost practices with positive impacts. More information on these issues would enable more powerful campaigns for the dissemination of the best practices among the organisations, defining more clearly the variables and indicators for running sustainable and responsible practices.

- A European Media campaign to encourage responsible consumption practices. For the development of social economy and responsible practices among the organisations, it is important to add education issues in the field of consumption as European citizens to be able to implement good practice in the decision making of people when choosing a product value.

- Supporting European networks of social economy. There are several networks and platforms in Europe that promote the social economy and socially responsible practices, through research, conferences and international symposia. Supporting these organisations is crucial for the development of a social economy by: common knowledge of social economy; sharing experiences and good practices; creating synergies and the development of new projects; enhancing networks and disseminating the social economy among the population.

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13 These recommendations have been provided by MPDL, after consultation with the platform "Economistas sin Fronteras"
| High levels of unemployment continue to trigger a one-sided policy response aimed at labour market flexibility | X | X | X | X | | | X | X |
| Vulnerable groups are being pushed to the fringes of the European labour market | X | X | X | X | | | X | X | X | X | X | X |
| Increasing inequality between workers within and without the standard employment model | X | X | | | | | | | X | X |
| Negative impact of austerity measures on health and social services | X | X | X | X | X | | X | X | X | X |
| Limited participation in lifelong learning | X | X | X | | | | | | | X | X |
| Decreasing investment in lifelong learning | X | X | | | | | | | | | X |
| Volunteers increasingly relied on as an alternative to maintain public services | X | X | | | | | | | | | |
| Outdated or vague legal frameworks for volunteering | X | X | | | | | | | | | |
| High number of people at risk of poverty or social exclusion | X | X | X | X | | | X | X | X | X | X |
| Attempts by governments to recast the social sector in the same mould as the private sector | X | X | X | | | | | | | | |
This general report has been developed in the framework of the Social Progress Watch initiative, a tool implemented by members and partners of SOLIDAR to evaluate commitments of governments to promote active inclusion, reduce poverty, fight unemployment, defend and extend the right to decent work and quality jobs and promote universal social protection.

SOLIDAR is a European network of membership based Civil Society Organisations who gather several millions of citizens throughout Europe and worldwide. SOLIDAR voices the values of its member organisations to the EU and international institutions across the three main policy sectors; social affairs, lifelong learning and international cooperation.