European Commission

EU Justice, Consumers and Gender Equality

Contributing to an attractive environment for businesses and investors, strengthening competitiveness and fostering social inclusion

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Justice, consumers and gender equality policy at EU level contributes to boosting Europe's competitiveness and creating an investor-friendly environment that generates growth and jobs.

The European Semester (1) is the yearly cycle of economic policy coordination, where the Commission analyses the EU Member States' plans of budgetary, macroeconomic and structural reforms and provides them with recommendations for the next 12-18 months.

In the area of Justice, Consumers and Gender Equality, the Commission monitors Member States' efforts to **improve the effectiveness of the judicial systems**, to **make insolvency frameworks more efficient** and to **improve consumer conditions**, as well as to **increase labour market participation of women and to combat discrimination of disadvantaged groups such as the Roma**. Such structural reforms are not only crucial for increasing economic productivity and competitiveness in Europe, but also for building more inclusive societies and fighting poverty.

The Commission supports Member States' structural reforms in these different fields, including through European Structural and Investment Funds (ESIF) (2).

Reforming justice systems

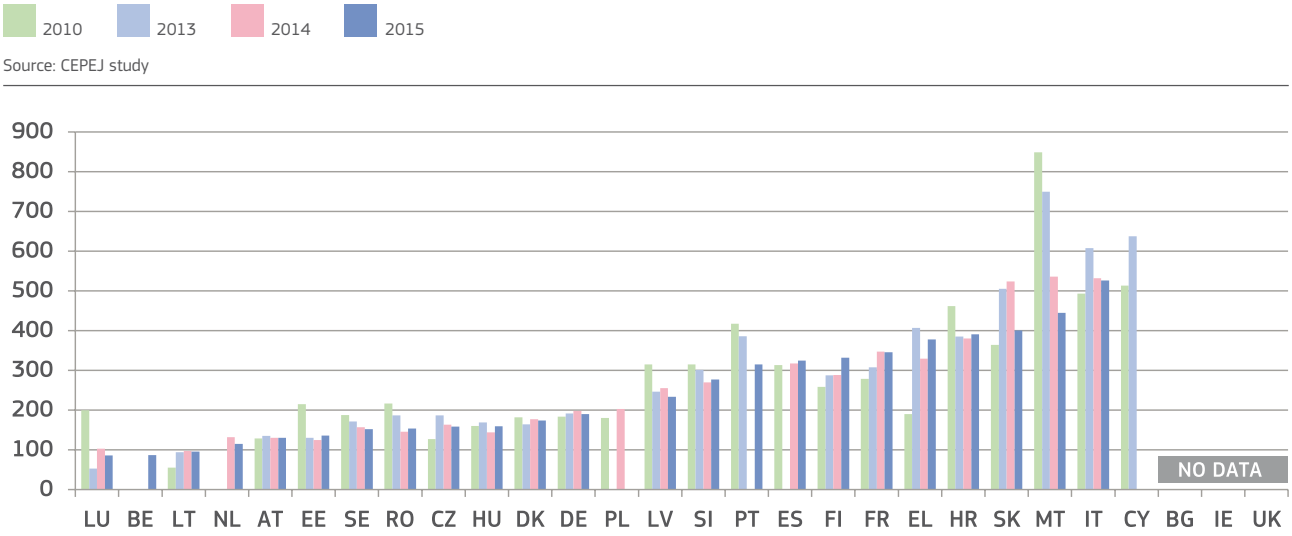
Making justice systems more effective (3) **is vital to increase confidence throughout the entire business cycle and to strengthen an investment-friendly environment**. A fully effective justice system is a prerequisite for economic growth and for creating a fair single market. The Commission's **2017 EU Justice Scoreboard** (4) reveals some positive signs that efforts to improve justice systems seem to bear fruit. However, challenges remain in a number of Member States.

The 2017 European Semester shows that certain Member States are still facing particular challenges in this area. In particular, the Commission proposes the Council to address Country-Specific Recommendations to Croatia, Italy, Cyprus, Portugal and Slovakia to render their justice systems more effective (5). It also closely monitors the efforts in this area in other Member States such as Belgium, Bulgaria, Spain, Latvia, Hungary, Malta, Poland, Romania and Slovenia (6).

(1) The European Semester: https://ec.europa.eu/info/strategy/european-semester_en
(2) European Structural & Investment Funds: http://ec.europa.eu/contracts_grants/funds_en.htm
(3) Effective Justice: http://ec.europa.eu/justice/effective-justice/index_en.htm
(4) EU Justice Scoreboard: http://ec.europa.eu/justice/effective-justice/scoreboard/index_en.htm

Figure 1. Time needed to resolve litigious civil and commercial cases (first instance / in days)

Published in the *2017 EU Justice Scoreboard*



Source: CEPEJ study

Making insolvency proceedings more efficient

Making insolvency frameworks and proceedings (7) **more efficient would also lead to more credit (in particular to SMEs), more investment and lower vulnerabilities to economic and financial shocks**. Around half of enterprises in the EU do not survive the first five years of their existence and an average of 200 000 firms are going bankrupt across the EU each year. This results in direct job losses of 1.7 million every year. Having frameworks for insolvency proceedings that are efficient across the EU is therefore essential not only for the Member States concerned, but for the EU as a whole in creating an entrepreneurial environment for businesses, citizens and employees.

The 2017 European Semester shows that certain Member States are still facing particular challenges in this area. In particular, the Commission proposes the Council to address Country-Specific Recommendations to Bulgaria, Italy, Cyprus, Latvia and Portugal to make insolvency frameworks more efficient. It also monitors closely the efforts in this area in other Member States such as Belgium, Czech Republic, Estonia, Ireland, Spain, Croatia, Hungary, Malta, Romania, Slovenia, Slovakia and Sweden (8).

Participation of women in the labour market

Bringing and keeping more women on the labour market (9) **and in sustainable full-time jobs has the potential to significantly raise the EU's growth potential**. Increasing female labour market participation is crucial to counterbalance the effects of a shrinking working age population that is projected in most Member States. According to OECD estimates a quarter of the economic growth recorded in the EU countries since 1995 has come from women's increased participation in the labour market. Enhancing women's labour market participation also addresses women's increased risk of poverty and social exclusion as well as prevents their experiencing poverty in older age due to lower pension entitlements.

(5) The Commission Proposals for Country-Specific Recommendations are available at: https://ec.europa.eu/info/publications/2017-european-semester-country-specific-recommendations-commission-recommendations_en

(6) This monitoring is reflected in the recitals of the proposals for Country-Specific Recommendations relating to Bulgaria, Spain, Malta, Poland, Romania and Slovenia, and in the 2017 Country Reports for these Member States, as well as in the Country Reports for Belgium, Hungary and Latvia. The Country Reports are available at: https://ec.europa.eu/info/publications/2017-european-semester-country-reports_en

(7) Insolvency proceedings: http://ec.europa.eu/justice/civil/commercial/insolvency/index_en.htm

(8) This monitoring is reflected in the recitals of the proposals for Country-Specific Recommendations relating to Estonia, Ireland, Croatia, Malta, and Slovakia and in the 2017 Country Reports for these Member States (except Ireland), as well as in the Country Reports for Belgium, Czech Republic, Spain, Hungary, Romania, Slovenia and Sweden.

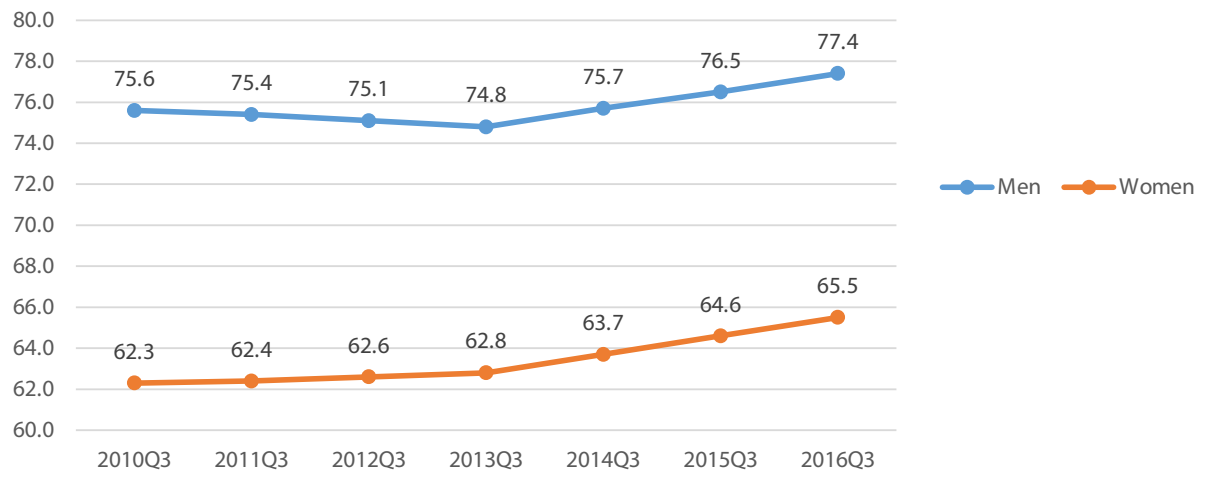
(9) Gender equality: http://ec.europa.eu/justice/gender-equality/

The 2017 European Semester shows that a number of Member States are still facing particular challenges in this area. In particular, the Commission proposes the Council to address Country-Specific Recommendations to Czech Republic, Germany, Estonia, Ireland, Spain, Italy, Austria, Poland, Romania and Slovakia [10]. The CSRs cover the availability of quality and full-time childcare, reducing disincentives to work or work more for second earners, the gender pay gap and the equalisation of the retirement age for men and women.

Figure 2. Employment rate of persons aged 20 to 64 in the EU

Published in the *2017 Report on equality between women and men in the EU*

Source: Eurostat, Labour Force Survey



Inclusion of the Roma

The inclusion of Roma [11] children in quality inclusive mainstream education and their subsequent integration into the open labour market is also a vital social investment contributing to the reduction of poverty and bringing society-wide economic benefits, especially in countries with large Roma communities. Roma represent a growing share of the working age population, with an average age of 25 compared to the EU average of 40. They make up one in five new labour market entrants in Bulgaria and Romania. Improving participation of Roma children in inclusive mainstream education from an early age, and fighting discrimination in the labour market can play a key role towards reaching Europe 2020 targets in education, employment and poverty reduction.

The 2017 European Semester shows that certain Member States are still facing particular challenges in this area. In particular, the Commission proposes the Council to address Country- Specific Recommendations to Bulgaria, Hungary, Romania and Slovakia to ensure effective equal access for Roma children to inclusive mainstream education [12]. The Commission also closely monitors efforts in this area in the Czech Republic.

Rights of the child

Out of an EU child population of 100 million, one in four children (27%) is currently at risk of poverty or social exclusion. Many children are experiencing homelessness, lack of access to social protection and/or

(10) The Commission also closely monitors the efforts in this area in other Member States. This monitoring is reflected in the recitals of the proposals for Country-Specific Recommendations relating to Belgium, Czech Republic, Germany, Estonia, France, Ireland, Spain, Croatia, Italy, Hungary, Malta, Austria, Poland, Romania, Slovakia, Sweden and the United Kingdom and in the 2017 Country Reports for these Member States.

(11) EU and Roma: http://ec.europa.eu/justice/discrimination/roma/index_en.htm

(12) The Commission also closely monitors the efforts in this area in the Czech Republic, which is reflected in a recital of the proposal for Country-Specific Recommendations, and in the 2017 Country Report.

educational structures. Measures such as access to quality early childhood education and care (ECEC), inclusive education, de-institutionalisation, and social protection, are essential for a child's development and have proven effective in breaking the cycle of disadvantage for children [13] and enhancing their educational and labour market prospects later on in life.

The 2017 European Semester shows that a number of Member States are still facing particular challenges in this area. The Commission closely monitors the efforts in this area in Member States such as Bulgaria, Ireland, Italy, Hungary, Romania and the United Kingdom [14].

Consumer conditions

Consumer spending represents 57% of EU GDP. The Consumer Scoreboards [15] show that in Member States where conditions are better for consumers, the economic situation is generally better, and that consumer trust in retailers [16] is positively correlated with economic competitiveness [17]. Consumers who feel protected, know their consumer rights and seek redress when needed can act as drivers of competition and innovation. Furthermore, a well-functioning consumer environment helps creating a level-playing field, reducing social exclusion. Consumers' uptake of e-commerce and their confidence in buying online from other EU countries is key to advancing the Digital Single Market, one of the EU's top priorities.

The Commission closely monitors the efforts in this area in particular in Belgium, Bulgaria, Romania, Slovenia and Slovakia [18].

Company Law

Companies might want to relocate by moving their registered office to another Member State (instead of opening a subsidiary/branch). This can be for different reasons, for instance to be closer to customers, because business activities had shifted to another country's market or to benefit from business opportunities. Lack of sufficient rules to directly transfer registered offices cross-border can weaken the business environment. It creates legal uncertainty for companies and makes such transfers difficult and costly, in particular for small and medium sized enterprises which often find it more difficult to face the costs involved.

The Commission monitors the developments in this area particularly in Germany, Estonia, Ireland, Croatia, Latvia, Lithuania, Hungary, Austria, Finland, and Sweden [19].

(13) 2013/112/EU Recommendation on investing in children: http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A32013H0112

(14) This monitoring is reflected in the recitals of the proposals for Country-Specific Recommendations relating to Bulgaria, Ireland, Italy, Hungary, Romania and the United Kingdom.

(15) Consumer scoreboards: http://ec.europa.eu/consumers/consumer_evidence/consumer_scoreboards/index_en.htm

(16) As measured by the Consumer Markets Scoreboard (where consumers' trust in retailers to respect consumer protection rules is a component of the composite Market Performance Indicator – MPI). The extent to which markets meet consumer expectations (another component of the MPI) is also positively correlated with a country's economic competitiveness.

(17) As measured by the World Economic Forum.

(18) This monitoring is reflected in the 2017 Country Reports for these Member States.

(19) See the references to the lack of rules to directly transfer registered offices abroad in the 2017 Country Reports relating to these Member States.