



SOCIAL PROGRESS WATCH

SOLIDAR Social Progress Watch 2016 - A guideline to a rights- based approach for the European Pillar of Social Rights

This report presents the main findings and general recommendations of the 2016 SOLIDAR Social Progress Watch Initiative regarding the 'modernisation' of social protection systems and access to services in the EU. It is based on extensive consultations with SOLIDAR members and partners, and is the first in a two-part series, the second of which will be dedicated to the integration of third country nationals.

The objective of the recommendations is to close the gaps in the current proposal for the European Pillar of Social Rights, in order to ensure upward social convergence in the EU as enshrined in Article 9 TFEU and in the international commitments of Member States in the field of social protection. The report concludes that national social protection systems do not ensure decent living standards. Access to high quality social services is not guaranteed for all and is particularly limited for vulnerable people. SOLIDAR therefore calls for a rights-based approach that enforces uniform, high-level social standards accessible to everyone.



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EXECUTIVE SUMMARY

This report presents the main findings and general recommendations of the 2016 SOLIDAR Social Progress Watch Initiative (SPWI) regarding the 'modernisation of social protection systems' and access to services in EU Member States. The EU Strategy Groups established on Member State level as part of the SOLIDAR Social Progress Watch Initiative highlight that minimum income schemes do not enable their beneficiaries to live a life in dignity and escape poverty. Unemployment benefit schemes in countries with high unemployment have not been efficient in facilitating the transition into work and are insufficient in both length and coverage. According to the feedback received, the sustainability of pensions systems is under threat from an ageing population and unemployment, leading to increasing poverty among the elderly. Furthermore, in most of the countries minimum wages are not adequate as they are below the 60 percent of national median income, leading to in-work poverty. Moreover, access to high quality and affordable social services is not guaranteed in many countries.

In view of these findings, SOLIDAR considers that the proposal for a European Pillar of Social Rights should be strengthened in order for it to be a catalyser for the fulfilment of the EU and international normative frameworks on Social Protection and promote upward social convergence founded on a rights-based approach. To achieve this, SOLIDAR proposes the following main recommendations:

1. The Pillar of Social Rights should guarantee that everyone is entitled to an adequate income support that respects the right to an adequate standard of living in accordance with the International Covenant on Economic, Social and Cultural Rights (ESCRs). Special attention should be given to the principles of non-discrimination, social inclusion, gender equality and responsiveness to social needs.
2. SOLIDAR believes that the Pillar of Social Rights should encourage Member States to prioritise measures for the progressive realisation, which includes the set of targets and time frames and solidarity in financing.
3. SOLIDAR recommends that a set of values and goals to assess the upward social convergence such as the respect for the rights and dignity of people covered by the social security guarantees and high-quality public services should be put at the core of the Pillar of Social Rights.
4. SOLIDAR recommends that the right of everyone to the enjoyment of just and favourable conditions of work which ensure, in particular, remuneration which provides all workers with fair wages and equal remuneration for work of equal value without distinction of any kind should be recognised in the Pillar of Social Rights.
5. SOLIDAR considers that universal access to social services, including for third country nationals, should be ensured by the Pillar of Social Rights as a pre-requisite for combating poverty and achieving equality and social cohesion.

1. INTRODUCTION

This is the first of two reports presenting the main findings and recommendations of the SPWI 2016. It presents a timely evaluation of developments in social protection systems and the situation of third country nationals when it comes to access to social services. Firstly, this report presents the main findings and overall trends found in this year's country studies. Secondly, it presents SOLIDAR's general recommendations to achieve upward social convergence by reinforcing the Pillar of Social Rights.

The SPWI is a monitoring tool used by civil society organisations in 15 European countries (Austria, Bulgaria, Croatia, Czech Republic, France, Germany, Greece, Hungary, Italy, Netherlands, Romania, Spain, Serbia,



Slovakia and the United Kingdom), **allowing them to speak up together against Europe's growing inequalities and to evaluate the commitment and progress made by national governments towards a more social and cohesive Europe.** SOLIDAR brings these voices to Brussels to put forward their recommendations and to give voice to their call to put upward social convergence back at the heart of EU and national policies as defined in the TFEU. The SPWI is implemented by national EU Strategy Groups set up with the support of SOLIDAR members and partners and composed of professional staff working in the social service and social entrepreneurship sectors, end-users and volunteers, experts in social services and the social economy, and social partners, including representatives of the trade union movement.

The monitoring process and our network's findings and recommendations are **based on five social benchmarks divided into two thematic fields** (cf. Table 1). For each benchmark, the country studies give information first on an overview and main challenges based on the evaluation of the Commission, and second on the feedback provided by the national strategy groups. The first thematic benchmarks were developed with the aim of evaluating the measures put in place by the Member States to promote the integration of third country nationals. The second theme, which is the subject of this report, concerns the indicators that measure developments in social protection systems. These benchmarks represent the fronts on which SOLIDAR believes progress should be made in order to ensure that everyone can enjoy a certain set of rights and that people can thrive and live a decent life.

SOLIDAR members have reported that over the last few years **financial constraints and austerity measures have had a negative impact on provisions regarding minimum income, the minimum wage and access to quality and affordable services.** Therefore, in order to stop this development, SOLIDAR is promoting a comprehensive set of social standards in Europe: In view of the main challenges identified by many of our members and partners in the SPWI - further deteriora-

tion of social protection provisions and growing discrimination towards third country nationals in access to social services - SOLIDAR stresses **the need to adopt a rights-based approach that builds on comprehensive and integrated social policies that are based on high-level social standards.** This would enforce upward social convergence in the EU as enshrined in Article 9 TFEU¹, and certain rights granted by the Charter of Fundamental Rights in accordance with the international obligations to which the Member States have committed in the International Covenant on Economic, Social and Cultural Rights. Furthermore, this year's findings and recommendations will be used to identify gaps and possible improvements in the outline of the European Pillar of Social Rights, the European Commission's latest major initiative in the field of employment and social affairs. The recommendations developed in this report would thus feed into the ongoing consultation process on the Pillar of Social Rights.

Table 1. Benchmarks of the SPWI 2016

- 1) Integration of third-country nationals
 - Tools/programmes implemented in a country for the integration of third country nationals
 - Measures/programmes implemented in a country to promote intercultural coexistence and combat discrimination
- 2) Developments in social protection systems
 - Adequate income support in a country as a basis for social protection over the life-span of a person to fight poverty and ensure active inclusion (Minimum income, Unemployment benefits, Pensions, Level of household indebtedness)
 - Provisions for decent work at national level to guarantee that people can earn a living and avoid

¹ Art. 9 TFEU: "In defining and implementing its policies and activities, the Union shall take into account requirements linked to the promotion of a high level of employment, the guarantee of adequate social protection, the fight against social exclusion, and a high level of education, training and protection of human health".



in-work poverty (minimum wage, provisions for reconciliation of private and professional life)

- Non-discriminatory universal access to quality and affordable care, social, health, education and lifelong learning and basic financial services

2. A RIGHTS-BASED APPROACH TO THE PILLAR OF SOCIAL RIGHTS?

In March 2016, the European Commission presented a first outline of a proposal for a European Pillar of Social Rights² and opened a public consultation until the end of 2016 to gather a wide input/feedback from stakeholders and citizens across the EU. The proposal aims to complement existing rights by detailing a number of essential principles for equal opportunities and access to the labour market, for fair working conditions and for adequate and sustainable social protection which should become common to participating Member States for the conduct of their employment and social policy. Once established, **the Pillar should become a reference framework to screen the employment and social performance of participating Member States, to drive reforms at national level** and, more specifically, to serve as a compass for renewed convergence within the euro area.

SOLIDAR advocates for a rights-based approach to the Pillar of Social Rights in order to reinforce it and ensure its full and effective implementation³. Hence, the Pillar of Social Rights should provide a framework to implement the international commitments of Member States in the field of social protection. In particular, **the International Covenant on Economic, Social and Cultural Rights (ICESCR)** adopted by the United Nations provides a legal base upon which detailed global, national

² Read more on the Pillar proposal: <http://ec.europa.eu/social/main.jsp?catId=1226&langId=en>

³ For more information about SOLIDAR assessment of the Pillar see here: http://www.solidar.org/system/downloads/attachments/000/000/427/original/79_2016_07_12_SOLIDAR_Fact_sheet_European_Pillar_of_Social_Rights_annex.pdf?1469712093

and community-level poverty eradication policies can be constructed⁴. At the heart of the Covenant is the definition of poverty, which recognises its broader features, such as the right to work, an adequate standard of living, housing, food, health and education⁵. This normative framework has three distinctive dimensions that are aspects developed in among others the ILO Recommendation 202 on Social Protection Floors and need to be tackled through the proposal for an EU Pillar of Social Rights:

1. **Individual dimension.** This includes **claims by individuals to their entitlements** and the collective provision of entitlements to benefits prescribed by national law; the adequacy and predictability of these benefits; non-discrimination, gender equality and responsiveness to special needs; social inclusion, including of persons in the informal economy; as well as efficiency and accessibility of complaint and appeal procedures.
2. **Institutional dimension.** This includes States' **allocation priorities for progressive realisation**, including by setting targets and time frames; solidarity in financing while seeking to achieve an optimal balance between the responsibilities and interests of those who finance and benefit from social security schemes; consideration of a diversity of methods and approaches, including of financing mechanisms and delivery systems; transparent, accountable and sound financial management and administration; tripartite participation with representative organisations of employers and workers, as well as consultation with other relevant and representative organisations of the persons concerned.
3. **Societal dimension.** **Setting of values and goals to assess progressive realisation** such as the univer-

⁴ Please also consult SOLIDAR's briefing "Building an EU Human Rights Strategy to achieve Social Protection for all" <http://www.solidar.org/en/publications/building-an-eu-human-rights-strategy-to-achieve-social-protection-for-all>

⁵ UN Economic and Social Council (May 2001) see here: <http://www2.ohchr.org/english/bodies/cescr/docs/state-ments/E.C.12.2001.10Poverty-2001.pdf>



ality of protection, based on social solidarity; respect for the rights and dignity of people covered by the social security guarantees; financial, fiscal and economic sustainability with due regard to social justice and equity; coherence with social, economic and employment policies; coherence across institutions responsible for the delivery of social protection; high-quality public services that enhance the delivery of social security systems; regular monitoring of implementation, and periodic evaluation; full respect for collective bargaining and freedom of association for all workers.

These three dimensions highlight the complementarity between ESCRs, Social Protection and the EU Pillar of Social Rights in the following terms:

- **Social Protection Floors and the EU Pillar of Social Rights can assist Member States to fulfil their obligation** under national, regional and international human rights law to ensure for everyone the enjoyment of a (minimum) essential level of Economic, Social and Cultural Rights.
- **Economic, Social and Cultural Rights** – and human rights at large – **define a legal framework for Social Protection Floors and the EU Pillar of Social Rights**, limiting the discretion of Member States on how social protection systems are to be designed and implemented by ensuring an adequate legal and institutional framework as well as long term strategies.

This complementarity is extremely important to recognise, as clearly shown by examples given in the SPWI country studies where social protection policies are implemented that do not recognise one or more aspects. States possess extensive human rights obligations as a consequence of the ratification of the multitude of Human Rights Treaties and Conventions. Thanks to these instruments, **States are subject to legally-binding domestic and international obligations to ensure that human rights guide the design, monitoring, implementation and evaluation of public policies.**

The Universal Declaration of Human Rights, as a starting point, clearly defines the correlation between the human right to social security, and the progressive realisation of other rights, including Economic, Social and Cultural Rights, as explicitly referred to in art. 22: “Everyone, as a member of society, has the right to social security and is entitled to realisation, through national effort and international co-operation and in accordance with the organisation and resources of each State, of the economic, social and cultural rights (ESCRs) indispensable for his dignity and the free development of his personality”⁶. Article 25 further makes the links with social security and ESCRs: “Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control. Motherhood and childhood are entitled to special care and assistance. All children, whether born in or out of wedlock, shall enjoy the same social protection”⁷.

The legal obligation of States to realise the right to social security is in fact further enshrined in Article 9 of the International Covenant on Economic, Social and Cultural Rights (ICESCR), whereby “The States Parties recognise the right of everyone to social security, including social insurances”⁸. The Committee on Economic, Social and Cultural Rights (CESCR) monitors the implementation of the ICESCR, and notes that States parties are actually obliged to progressively ensure the realisation of these rights - including the right to social security – for all individuals within their territories, providing specific protection for disadvantaged and marginalised individuals and groups⁹. **States Parties have an obligation to fulfil Economic, Social**

6 Universal Declaration of Human Rights, <http://www.un.org/en/universal-declaration-human-rights/>

7 Ibid.

8 International Covenant on Economic, Social and Cultural Rights, <http://www.ohchr.org/EN/ProfessionalInterest/Pages/CESCR.aspx>

9 CESCR, General Comment No. 19, para 31



and Cultural Rights by taking legislative measures towards the full realisation of all human rights, using the maximum available resources from national and international sources to establish social protection systems under their domestic legislative frameworks. They should look therefore to their constitution and to the transposition into domestic law of international standards, to ensure compliance with human rights principles of equality, universality and non-discrimination, including accessibility, adaptability, acceptability, and adequacy.

ILO Recommendation 202 on Social Protection Floors provides an adequate framework to measure the fulfilment of these obligations by States. The Social Protection Floor approach promotes access to essential social security transfers and social services in the areas of health, water and sanitation, education, food, housing,

life and asset-savings information. It emphasises the need to implement comprehensive, coherent and coordinated social protection and employment policies to guarantee services and social transfers across the life cycle, paying particular attention to vulnerable groups¹⁰.

As illustrated in table 2, it is clear that ILO Recommendation 202 provides a set of measures that would contribute to the progressive realisation of the legal basis enshrined in the International Covenant on Economic, Social and Cultural Rights. The compatibilities between these international frameworks and the Pillar of Social Rights become most apparent when comparing the ESCR's, the three main objectives reflecting the three major dimensions of Social Protection and the objectives of the Pillar regarding social protection, as shown in table below.

International Covenant on Economic, Social and Cultural Rights	ILO Social Protection Floors Recommendation	EU Pillar of Social Rights
<ul style="list-style-type: none"> • Right to health • Right to Social security-including social insurance • Right to education • Right to work and rights at work • Right of everyone to an adequate standard of living for him/herself and his/her family-including food, clothing, housing 	<ul style="list-style-type: none"> • Extending the coverage and effectiveness of social security schemes • Promoting labour protection, which comprises decent conditions of work, including wages, working time and occupational safety and health, essential components of decent work. • Working through dedicated programmes and activities to protect such vulnerable groups as migrant workers and their families; and workers in the informal economy 	<ul style="list-style-type: none"> • Equal opportunities and access to the labour market: This includes skills development, life-long learning and active support for employment. • Adequate and sustainable social protection: This includes access to health, social protection benefits and high quality services, including childcare, healthcare and long-term care, which are essential to ensure a dignified living and protection against life's risks. This enables citizens to participate fully in employment and, more generally, in society.

10 <http://www.ilo.org/global/about-the-ilo/decent-work-agenda/social-protection/lang--en/index.htm>



Therefore, **the Pillar of Social Rights, based on the international frameworks, could act as a driving force for Member States to improve their social protection systems and guarantee social rights** at the same time.

As the main findings of the SPWI show, there is a need to establish a link between those normative and non-normative frameworks to reverse the current failure of social protection systems to lift a significant part of the population out of poverty and secure basic living standards and empower the poorest of the poor.

3. MAIN FINDINGS OF THE SPWI 2016 REGARDING THE DEVELOPMENT OF SOCIAL PROTECTION SYSTEMS

This year's SPWI in 15 countries shows **overall trends in developments in social protection systems** that can be found in the majority of participating countries. Our members and partners also identified trends and developments that are more specific to certain countries due to their specific (socio) economic, political or social developments. Further to these findings, the country studies developed by SOLIDAR members and partners propose **specific recommendations** on how to overcome the main obstacles and how to implement the necessary policy reforms **for the achievement of upward social convergence**.

Here is an overview of the main findings and overall trends of the SPWI 2016 on developments in social protection systems.

3.1 Minimum income

The 2016 SOLIDAR SPWI country studies show that the majority of the countries have a national minimum income scheme. However, in most of them the **minimum income is not adequate to cover living costs or to help people escape from poverty (e.g. Bulgaria, Czech Republic, Croatia, Romania, Spain, Serbia and Slovakia)**. In some countries, the minimum income scheme is **not even sufficient to lessen the risk of poverty**

(relative poverty). The impact of minimum income schemes on reducing the high rate of poverty is therefore very limited, and depends largely on the design of the respective schemes at national level. Frequently the minimum income provided under the scheme covers only a small part of the general costs of living and falls below the poverty line. An added problem highlighted by EU Strategy Groups in Austria, Bulgaria, Croatia, France and the Netherlands is **the difficulty in accessing some minimum income schemes**. The conditions attached can be so stringent that sometimes in practice they exclude a large proportion of the people living in poverty; in particular, **eligibility conditions can be restrictive for some vulnerable groups** such as youth, the self-employed, the Roma population, the long-term unemployed, women and beneficiaries of subsidiary protection. In addition, non-take up of social benefits like minimum income support, due to a lack of awareness of entitlement or indifference towards a system, is a widespread problem in many countries.

EU Strategy Groups operating in Spain, Bulgaria, Hungary, Serbia, Croatia and Austria report that **huge regional differences in the level of coverage of minimum income schemes** further increase the gap between the most vulnerable and the rest of the population as well as between regions. This is mainly due to inconsistent eligibility criteria and amounts disbursed within the countries as well as the decentralisation of the system.

The EU Strategy Groups are critical of **countries without a national minimum income scheme (Greece, Hungary, Italy and UK)**. **Income support schemes in these countries are not adequate** for all due to limited support, in-work poverty, precarious jobs, high poverty rates and a difficult economic situation. The lack of unity and universality of income support deprives those most in need of an adequate income floor.

However, some positive examples can be found. Our Strategy Groups in Greece, Italy and Romania indicate that there have been improvements in the minimum income schemes or plans to introduce a national mini-



mum income (Greece, Italy, and Romania).

3.2 Unemployment benefits

The 2016 SPWI country studies highlight numerous gaps in the unemployment benefit systems of the different Member States. In general, **the limited length and amount of unemployment coverage as well as the lack of resources and of a uniform coordinated approach is seen as problematic**. The systems are inefficient and **not adequate to prevent situations of poverty or to help the transition into or back into work**. (Spain, Italy, France, Serbia, Romania, Austria). This situation challenges the sustainability of the benefits system and, in the long-term, increases the costs of measures to bring those furthest from the labour market back to work.

The EU Strategy Groups highlight that **in some countries reforms of the system as a part of post-economic crisis austerity measures have led to a decrease in the length and the amount of coverage** and made the system less efficient to tackle unemployment, which has hit hardest at the most vulnerable people, such as the long-term unemployed (especially in Spain, the UK and Serbia).

The rise in the use of atypical work contracts (temporary contracts, work outside an employment relationship that does not cover social insurance and self-employment) **poses significant risks on these (already vulnerable) workers concerning their right and access to unemployment benefits** (e.g. Austria, Czech Republic Hungary and Romania, Italy, Serbia, Spain). Due to the requirement of a previous employment record, this group often does not have the right to unemployment support. The country studies from Croatia, France, Greece, Romania, Serbia and Spain indicate that high unemployment, particularly youth and long-term unemployment, and high levels of poverty continue to be the biggest challenge for a sustainable unemployment benefit system. Our members in Germany highlight the inadequacy of the unemployment benefit system to support and integrate the long-term

unemployed into the labour market.

One of the major problems highlighted by the EU Strategy Groups is the disharmony between the labour market and the education system. This is a particularly critical issue in Greece, Croatia, Spain and Serbia, as it is one of the main obstacles to tackling unemployment and to easing the transition into work. The mismatch between skills and labour demand results not only in high unemployment, but puts pressure in the long-term on the benefits system.

3.3 Pensions

Several SOLIDAR EU Strategy Groups highlight the **progressive increase in the retirement age in many countries** (e.g. Bulgaria, Croatia, Serbia, Spain and Slovakia). This is mainly due - or at least politically justified - to the economic situation (lack of funding), an ageing population/increasing dependency ratio as well as high levels of unemployment (reduction of incomes derived from contributions) and the emigration of young people in some countries. In general, **the demographic developments and the economic situation pose challenges to the pensions systems in most of the countries**, which will make it difficult to maintain the existing level of pensions in the coming years.

As the Strategy Groups in Greece, Germany, Hungary, Italy and Spain show, **the inadequacy of the level of pensions** presents another of the major trends identified. The growing precariousness and high levels of poverty mean a reduction of pension benefits in retirement. **As a result many elderly people live in poverty or are at risk of poverty**. In some countries, this situation has been worsened by the recent introduction of new provisions that have led to a further decrease in the level of pension benefits (e.g. Greece, Hungary, and Spain).

The country studies in Czech Republic, Italy and the United Kingdom report a high **gender pension gap**, which represents the culmination of a lifelong gender



pay gap that most women experience, but especially women employed in low-pay sectors.

3.4 Minimum Wage

It emerged from the work carried out by our members and partners this year that in many countries, in particular in Eastern and Southern Europe, **the minimum wage is below the adequate level of 60 percent of the average wage and therefore does not ensure a decent standard of living**. This is particularly the case in **Croatia, Czech Republic, Hungary, Romania, Serbia, Spain, Slovakia and the United Kingdom**. In some countries, the net minimum wage is even below the subsistence minimum level and the difference with respect to the minimum income is for certain groups negligible.

In general, SOLIDAR members report that a lack of steady economic growth, low productivity and high unemployment hamper efforts to increase minimum wages. Nevertheless, the 2016 SOLIDAR SPWI country studies show that some countries have increased the minimum wage during the last year. However, it still remains below the 60 per cent of median household income (e.g. Bulgaria, Czech Republic, Hungary, Romania, Serbia and Slovakia). **The strategy groups in Austria, Germany, France and the United Kingdom indicate that, despite having a relatively high minimum wage, it is not sufficient to cover the rising cost of living**. In countries with a minimum wage regulated and negotiated through collective bargaining, the minimum wage varies highly between economic sectors and does not cover all the workers protected by national contracts, leading to a further segregation of the labour market (e.g. Austria, Italy).

The 2016 SOLIDAR SPWI country studies in **Czech Republic, France, Italy, Romania and Spain show that increasingly more workers are employed on atypical contracts**, i.e. poorly paid, insecure and unprotected part-time, temporary involuntary jobs. Therefore, **low wages lead to increasing in-work poverty** of workers engaged on non-standards contracts, which affects especially young people and low skilled workers.

3.5 Non-discriminatory universal access to quality and affordable social and health care services, education and lifelong learning and basic financial services

The 2016 SOLIDAR SPWI country studies reveal that **access to high quality health and care services and education is limited, particular for the most vulnerable** (elderly, disabled people, migrants, ethnic minorities) (e.g. Bulgaria, Croatia, Czech Republic, France, Hungary, Italy, Netherlands, Slovakia). SOLIDAR members in Bulgaria, Czech Republic, Italy and Serbia report that unequal treatment in the access to education and health services caused by discrimination and corruption hits certain vulnerable groups, especially the Roma population.

The EU Strategy Groups **in Germany, Greece, Italy, the Netherlands, Spain, Slovakia and the United Kingdom reveal that local authorities and NGOs play a key role in the provision of services**. They are more and more forced to provide support to citizens, as well as third country nationals (especially children, elderly, and people with disabilities) and therefore, in many countries charities and volunteers are frequently seen as replacing the statutory services of the state and local authorities. Social services are not only insufficiently available but also not homogenous across the different countries. As a result, the **quality and affordability of services varies from region to region**: there is no clear and transparent national criteria regarding quality of and access to social services. This situation leads to territorially fragmented and unbalanced access to social services in many countries.

In the majority of countries monitored by the SOLIDAR network, **refugees and asylum seekers have very limited access to health, education and labour market services**, often depending on their status. In many countries this is caused by the lack of a national strategy on integration of third country nationals. These basic services are frequently covered by NGOs and local authorities. Although the Reception Condition Directive states that Member States should ensure that



applicants for international protection have access to the labour market no later than nine months from when they lodged the application, our country studies show that this is not the case in many Member States. **Asylum seekers are excluded in many countries from access to the labour market and health system**, which has a negative impact on their other (fundamental) economic, social and cultural rights. Particularly worrying in many countries is the situation of unaccompanied minors. Furthermore, language courses are limited in availability and duration, sometimes also in quality, especially for asylum seekers, and access to vocational training is very often not guaranteed due to lack of recognition of qualification and language skills (e.g. Austria, Germany, France, Romania).

4. GENERAL RECOMMENDATIONS

This year's **recommendations are developed with the aim of reinforcing the Pillar of Social Rights to achieve a high level of social standards throughout the EU**. As the main findings of the SPWI 2016 reveal, the proposal for a Pillar of Social Rights should be improved in order for it to be an effective tool to implement the international commitments of the Member States in the field of social protection, labour rights and the right to health, the right to education, and the right to an adequate standard of living.

Based on the findings of this year's monitoring exercise, the SOLIDAR network makes the following recommendations for our benchmark on social protection systems to strengthen the European Pillar of Social Rights through a rights-based approach and thereby achieve improved social cohesion and upwards social convergence.

4.1 Minimum income schemes

In view of the main findings regarding minimum income schemes - inadequacy of the support provided to cover living costs or to help people escape from poverty - **SOLIDAR believes that the Pillar of Social Rights should establish mechanisms to ensure that minimum**

incomes respect the right of everyone to an adequate standard of living in accordance with Art.11 of the ICESCR. The Pillar of Social Rights should give effect to the principles of adequacy of benefits, social inclusion, progressive realisation and respect for the rights and dignity of people covered by the social security guarantees, in accordance with the ILO Recommendation on Social Protection Floors. Additionally, in order to enforce the right to social security, the Pillar of Social Rights should ensure that those countries without a national minimum income introduce an adequate minimum income to prevent those most at risk from sliding down to the fringes of society

In order to guarantee a basis that enables people to live a life in dignity and prevent the undermining of welfare state provisions, **SOLIDAR calls for more transparency and clear criteria**. Basic living needs should be defined and a higher amount should be granted to avoid hardships for the poorest and provide adequate resources to cover minimum living expenses.

National EU Strategy Groups call for a coordination of the minimum income scheme at state level to ensure that the principle of equality, which should be enshrined in the proposal for a Pillar of Social Rights, is respected. Mixed financing by the (federal) state and regions/municipalities should be rethought as it leaves open the possibility to downsize expenditure on minimum incomes.

As established in the ILO Social Protection Floors Recommendation, minimum income schemes should also be responsive to special needs, particularly among the most vulnerable people. Consideration of a diversity of methods and approaches should be at the core of the design of individual itineraries according to the real needs of the person, to prevent situations of extreme poverty and to guarantee minimum living standards for everyone.

Finally, SOLIDAR stresses that a minimum income should be seen as a social investment that offers economic and social return over time. The establishment



of an adequate minimum is of great importance as technological developments lead continuously to the dismantling of jobs in advanced economies.

4.2 Unemployment benefit schemes

Given the inadequacy of unemployment insurance in many countries to bring people back into work and ensure decent living standards, the **Pillar of Social Rights should guarantee a basic income security for persons who are unable to earn sufficient income in cases of unemployment**, as established by the ILO Recommendation on Social Protection Floors.

SOLIDAR believes that respect for the principles of **universality, adequacy** (high quality and non-repressiveness of social standards) as well as **the application of progressive social policies** and the equal treatment of persons in the informal sector would improve the quality and effectiveness of the integration of the most vulnerable groups into the labour market. SOLIDAR considers that the Pillar should make explicit mention of these principles.

Moreover, workers with non-standard contracts, frequently young and low skilled workers who are more likely to live in poverty, should enjoy the same access to benefits, regardless of their previous situation on the labour market. Since social security is a right guaranteed for everyone by the International Covenant on Economic, Social and Cultural Rights, **the Pillar of Social Rights should make sure that those most vulnerable on the labour market are entitled to the benefits prescribed by national law in view of the universality of protection**, based on social solidarity. The right to security in the event of unemployment is a right recognised by The Universal Declaration of Human Rights that shouldn't be undermined.

In addition to the proposal included in the Pillar to promote adequate unemployment benefits, i.e. longer duration, combined with the requirement for active job seeking and participation in active support,

SOLIDAR recommends the introduction of a **European Unemployment Benefit Scheme** as a macro-economic tool with an important shock-absorbing function. This mechanism would replace parts of the different national systems and kick-in in the event of cyclical unemployment – thereby avoiding spill-over effects of high unemployment onto other countries and stabilise the economy of the countries concerned. To achieve this goal, national unemployment benefits schemes should be harmonised, since the eligibility requirements, generosity and duration of benefits vary greatly within the European Union.

4.3 Pensions

The current trend of increasing poverty in old age shows the need to implement the Social Protection Floors recommended by the ILO. These aim to ensure that, at a minimum, over the life cycle, all in need have access to essential services and basic income security to secure effective access to goods and services defined as necessary at the national level. Therefore, **the Pillar of Social Rights should guarantee the right to decent standards of living at retirement age by extending the coverage and effectiveness of pension schemes.**

We promote the idea of adopting tailor-made reforms that address challenges like ageing and persisting high unemployment. These measures should be respectful of the right to have a decent life in retirement age. As an important step to ensure respect and dignity in old age, **a universal pension scheme should be introduced guaranteeing a minimum income for pensioners over the poverty line**, regardless of participation in the pension scheme. Defined state pensions, not based on individual contributions, lessen income shortfalls in retirement age, in particular for the most vulnerable, and therefore decrease old age poverty. These measures, together with the reduction of the gender gap in pensions as recommended by the ILO, should be encouraged by the Pillar of Social Rights.



4.4 Minimum wage

The International Covenant on Economic, Social and Cultural Rights recognises the right of everyone to the enjoyment of just and favourable conditions of work which ensure, in particular, remuneration which provides all workers with fair wages and equal remuneration for work of equal value without distinction of any kind. Thus, **decent working conditions, including wages, should be a key demand of the Pillar of Social Rights.**

To this end, **SOLIDAR calls for an EU framework for an adequate minimum wage** above the level of minimum income, with 60% of the national median wage as a minimum threshold to be included in the proposal for a European Pillar of Social Rights. The minimum wage needs to be set in accordance with the principle of non-discrimination (irrespective of e.g. type of contract, age, work experience etc.) and has to be applicable for all sectors of the economy to ensure that workers and employees can live a decent life and to avoid in-work-poverty.

SOLIDAR believes that an **increase in the minimum wage and more generally wages for low-income positions is crucial to address the issue of in-work poverty** caused by the increasing spread of non-standard employment, i.e. poorly paid, insecure and unprotected part-time or temporary jobs. The implementation of a universal basic income would limit the precariousness that young people and workers on low wages in particular experience. The proposal for a Pillar of Social Rights should promote this initiative that would enable a decent standard of living anchored in the ICESR.

SOLIDAR stresses that every effort must be made to combat social dumping, abuses and discriminatory treatment. To prevent further inequality, European labour mobility should be fair mobility where the principles of 'decent work' and 'equal pay for equal work at the same place' are respected.


4.5 Non-discriminatory universal access to quality and affordable social services

SOLIDAR promotes the idea of ensuring universal access to social services as a pre-requisite to combating poverty and achieving equality and social cohesion. In light of the above-mentioned limited access to social services, especially for vulnerable groups, the Pillar of Social Rights needs to ensure the right to access to a nationally defined set of services that meets the criteria of availability, accessibility, acceptability and quality enshrined in the ICESCR.

Everyone should enjoy access to high-quality public services that enhance the delivery of social security systems. This is an indispensable element to reverse the current trend of deterioration of the quality and affordability of services as a result of the economic crisis. Furthermore, high quality, integrated and personalised services are important to achieve the best possible social outcomes, developing people's skills and capabilities, enhancing people's opportunities and confronting risks and transitions faced in the course of their lives as much as possible. To do so, social services should be delivered focusing on the individual's situation at the specific time and in line with the general quality principles presented in the "Voluntary European Quality Framework for Social Services"¹¹. SOLIDAR believes that the **Pillar of Social Rights needs to define access to high quality services as a basic right for everyone living in Europe** and adopt an inclusive approach.

As the SPWI 2016 highlights, large groups of third country nationals don't enjoy the same rights when it comes to access to services. **SOLIDAR advocates that third country nationals, regardless of their legal status, have equal access to their fundamental economic, social and cultural rights**, including the right to health,
 11 Social Protection Committee, A Voluntary European Quality Framework for Social Services (SPC/2010/10/8 final). See: <http://ec.europa.eu/social/main.jsp?catid=794>





access to education, and participation in the labour market. Given the principle of universality of social protection, the European Pillar of Social Rights should guarantee equal access to services for all. We believe that universal access to social services is a condition sine qua non to fight poverty and enhance social inclusion.

In conclusion, in view of the main findings of the SPWI, the **Pillar of Social Rights should ensure that the claim of individuals to entitlements** and the collective provision of entitlements, as well as the principles of non-discrimination, gender equality, responsiveness to special needs and social inclusion are preserved. To this end, **Members States should prioritise measures for the progressive realisation**, which includes the set of targets and time frames, solidarity in financing as well as the consideration of diversity of methods and approaches. In addition, the **setting of values and goals to assess the progressive realisation** such as the respect for rights and dignity of people covered by the social security guarantees and the high-quality of public services that enhance the delivery of social security, is of major importance for the design and implementation of the Pillar of Social Rights.



SOLIDAR Social Progress Watch 2016 - Case studies

AUSTRIA

INTEGRATION OF THIRD-COUNTRY NATIONALS

1. TOOLS/PROGRAMMES IMPLEMENTED FOR THE INTEGRATION OF THIRD-COUNTRY NATIONALS

Overview of the situation as seen by the European Commission:

AT integration policy has made significant progress since 2007, rising 8 points on the MIPEX scale. Labour market mobility has been the major political priority for new integration policies, while anti-discrimination laws were created and improved to comply with EU law. The 2010 National Action Plan and Integration Ministry/Fund announced many new initiatives, though mostly limited in time and reach. Today, with a score 50/100, AT's overall integration policies create as many opportunities as obstacles for non-EU immigrants to fully participate in society. Immigrants have equal rights and opportunities in fewer areas in AT than in almost all Western European countries, just above CH and far below DE and other destination countries of its size. Most countries tend to provide better opportunities for immigrants to reunite with their family, participate politically, become citizens and fight discrimination¹.

Challenges identified by the European Commission:

Non-EU immigrants in AT have similar needs in terms of labour market integration, education and family reunion as they do in other longstanding countries of immigration in Northwest Europe. Labour market integration improves over time in AT as elsewhere, but the employment gaps are greater for high-educated immigrants, while the school system seems to reproduce inequalities over time. Still, they may have a harder time accessing AT's available policies and programmes. New targeted employment, education, health and anti-discrimination policies may be too new, weak or general to affect integration outcomes across the country. A culture of robust evaluations of policy impact is also missing in AT integration policymaking, making it difficult to know if these policies will fail or succeed.

AT's mostly long-settled non-EU citizens and the growing 2nd generation have greater needs for citizenship and political participation than immigrants in most other countries. AT made no progress on political participation and fell further behind

1 <http://www.mipex.eu/austria>

international reform trends as other countries extend citizenship entitlements for the 2nd generation and dual nationality for all. AT's requirements for family reunion, permanent residence and naturalisation, some of the most restrictive in Europe, do not take into account immigrants' real efforts to participate in society to the best of their individual abilities and their local circumstances. This combination of unrealistic expectations and limited support may be setting many applicants up for failure, with disproportionate effects on vulnerable groups. These obstacles have clear impacts on immigrants' active citizenship and other integration outcomes too. AT emerges as one of the most politically exclusive democracies in the developed world, with large numbers of disenfranchised non-EU citizens and one of the most restrictive naturalisation policies and rates.²

1.1 Are there specific integration policies implemented in your countries by the national, regional and local level? Which categories of third country nationals are they addressing (e.g. refugees, beneficiaries of family reunification, economic migrants, unaccompanied migrant minors)?

In recent years integration policy in Austria has been further institutionalised and new measures have been launched. With the release of the National Action Plan (NAP) for Integration in the year 2010 all integration policies at the national, regional and local levels should be coordinated for the first time. The paper states that integration is a cross-sectional matter and defines seven fields of action:

- language and education;
- work and employment;
- rule of law and values;
- health and social issues;
- intercultural dialogue;
- sports and recreation;
- living and the regional dimension of integration.

Further key changes were made in the year 2014. Several integration agendas were transferred from the Interior Ministry to the Foreign Ministry, which was renamed the Federal Ministry for Europe, Integration and Foreign Affairs (BMEIA). Additionally, the Migration Council for Austria, consisting of 16 experts, was

2 <http://www.mipex.eu/austria>



established.

In November 2015 the BMEIA released the paper "50 Action Points – A Plan for the Integration of Persons entitled to Asylum and Subsidiary Protection", which was produced in cooperation with the above-mentioned expert council. The 50 Action Points Plan provides recommendations based on the seven fields of actions of the National Action Plan. As the title suggests, the measures are only designed for persons entitled to asylum and subsidiary protection. The Austrian Integration Fund (ÖIF) is mostly financed by the BMEIA and has the same target group. The ÖIF runs integration centres in most of Austria's federal states, where German courses and workshops are provided for asylum beneficiaries and migrants.

Another important institution for the realisation of integration policy is the Public Employment Service (AMS). Its services for job seekers are only accessible for recognised refugees and beneficiaries of subsidiary protection, too. Therefore, most of the main policies and integration programmes exclude asylum seekers. Access to German courses and training is linked to the asylum decision. Furthermore, with few exceptions asylum seekers are excluded from the Austrian labour market.

The few German courses for asylum seekers are financed by the Federal Ministry of the Interior and the Federal states. NGOs and interest groups have been pointing out that funding and the number of existing courses for asylum seekers fall far short of what is needed. As a result a lot of German courses and integration projects for asylum seekers are provided by volunteers.

On local level the activities of Municipal Department 17 - Integration and Diversity (MA 17) of the Vienna City Administration should be mentioned. This department is initiating measures and projects to reduce inequality and provide equal opportunities for migrants. For example the "Start Wien" project, which is run in cooperation with other public authorities, includes starter coaching for all new inhabitants of Vienna. Recently Start Wien launched an educational project for refugees who are above compulsory school age. This ESF-funded project starts with 1,000 course places for refugees in Vienna.

1.2 How are EU funds for asylum, migration and integration (AMIF) allocated in your countries? Which categories of third country nationals are they addressing (e.g. refugees, beneficiaries of family reunification, economic migrants, unaccompanied migrant minors)?

The Federal Ministry of the Interior (BM.I) is the responsible authority for the management and control of the fund in Austria and communication with the European Commission. In Addition, the BM.I is the audit authority. The Federal Ministry for Europe, Integration and Foreign Affairs (BMEIA) and the Austrian Integration Fund (ÖIF) act as delegated authorities. Two calls for proposals for AMIF have been started in Austria in 2016.

The Federal Ministry of the Interior (BM.I) launched a call on the topic "asylum and return". The target groups are asylum seekers and third country nationals who have decided to return. The two specific objectives of this call are:

- Strengthening and development of a common European asylum system;
- Return.

The Federal Ministry for Europe, Integration and Foreign Affairs (BMEIA) started a call in the field of integration. Here the target groups are recognised refugees and beneficiaries of subsidiary protection. The specific objective is defined as:

- Integration/legal migration.

1.3 Are NGO's involved by national and local authorities in the development and implementation of integration programmes? In particular, are NGOs consulted on the allocation of EU Funds for integration programmes (e.g. AMIF)?

As preparation for the so-called programme or policy dialogue, prior to the implementation of AMIF, external partners and possible project owners like NGOs and ministries were included at an early point in time. They were asked to provide feedback on the specific objectives of AMIF and the upcoming emphasis of the programme for 2014-2020. Afterwards external partners had the chance to issue a statement on the multiannual programme. Several ministries and



NGOs like Volkshilfe were invited to make statements. It's unclear to what extent this feedback was taken into account.

2. Discrimination and intercultural coexistence

Overview of the situation as seen by the European

Commission:

According to 2012 Eurobarometer, around 6% of people in AT felt they had been discriminated against or harassed in the previous year based on their race/ethnic origin (4.3%) and/or religion/beliefs (3.4%). This number of potential victims of racial/religious discrimination in AT was similar to other European countries (e.g. FR, HU, IT, RO, UK).

Due to EU law, AT created an Equal Treatment Act, Commission and Office (66/2004, amended by 107/2013) and made significant progress on anti-discrimination law, rising +19 MIPEX points from 2007-2014. Still the choices made by AT lawmakers led to weaker laws and policies than in most countries (ranked only 23 out of 38). All residents, regardless of their background, are more exposed to discrimination than in most countries because of AT's weaker legal definitions, enforcement mechanisms and bodies.³

Challenges identified by the European Commission:

Equality bodies only halfway favourable for helping victims, with weak quasi-judicial powers and no legal standing to start proceedings on victims' behalf. Government departments could take greater role to inform potential victims of their rights, also with social partners & NGOs.⁴

2.1 Are there movements/campaigns/initiatives in your country in favour or against the integration of third country nationals? What is your evaluation of them?

There is no common political interest in integration. The far-right party FPÖ and the conservative Austrian People's Party (ÖVP), which is part of the governing coalition, continuously introduce new ideas to decrease refugee rights in Austria. Reductions in welfare benefits to immigrants are demanded, in order to make Austria a less attractive destination for refugees and to minimise so-called pull factors. Most of these measures make successful integration almost impossible.

Earlier this year the parliament voted to restrict the asylum laws. The situation of recognised refugees shall be re-evaluated after three years to determine if they

3 <http://www.mipex.eu/austria>

4 <http://www.mipex.eu/austria>

are still at risk in their countries of origin. Additionally, the regulations governing family reunification for beneficiaries of subsidiary protection were changed. The waiting period for family reunification has been extended from one to three years. Several federal states have introduced regulations to decrease the level of the means-tested minimum income (Bedarfsorientierte Mindestsicherung) for recognised refugees and beneficiaries of subsidiary protection.

Populist media are spreading fear and false rumours about refugees and migrants. Print media like the "Kronen Zeitung" and two free newspapers have a large readership. Several new right-wing online platforms and social media pages are growing. In addition, worrying postings by right-wingers are very present, even in the comment sections of socially liberal newspapers' websites. Right-wing extremists like the Identitarian Movement try to gain attention through anti-Islamic and anti-refugee protests.

On the other hand thousands of people in civil society are engaged in the field of refugee help and integration. Established NGOs and hundreds of new initiatives are helping out and representing what is described as a "welcome culture" towards refugees. In the first months of the so-called refugee crisis most of the people were just crossing Austria and only a smaller group applied for asylum. This changed at the end of 2015. Austria had a total of 88,000 asylum applications last year. As a result media reactions and public attitudes have shifted and now are increasingly critical. But this should not diminish the performance of civil society in the field of integration. The efforts, initiatives and activities in several fields of integration are still exceptional.

2.2 What are your recommendations to fight discrimination and to promote intercultural coexistence in your country?

A nationwide coordination of integration activities would be helpful. Although some concepts (e.g. by the Federal Ministry for Europe, Integration and Foreign Affairs) already exist, the synchronisation and communication between public authorities should be optimised. Sufficient language and qualification courses of a coherent and comparable quality should



be made available nationwide for all third country nationals. It is essential that asylum seekers are not excluded from integration programmes and that they have access to qualifications from the beginning of their asylum procedures.

Another challenge is the unavailability of affordable housing. Recognised refugees and beneficiaries of subsidiary protection have hardly any chance of finding an appropriate home on the private housing market.

Projects and initiatives which allow contact and communication between third country nationals and locals have to be supported. The investment in community work would pay off. A lot of integration programmes focus on youth. Special initiatives for elder migrants could conquer discrimination and exclusion of this target group.

Psychological support for traumatised refugees is a much needed service. Experts have even reported cases of refugee children who admitted to having suicidal thoughts. Consequently, publicly financed psychotherapy should be provided comprehensively for humanitarian reasons and to avoid higher subsequent costs. Currently people have to wait for more than one year to have access to psychotherapy, a serious deficit, if you think of the traumatic experiences refugees usually have.

DEVELOPMENTS IN SOCIAL PROTECTION SYSTEMS

1. ADEQUATE INCOME SUPPORT IN YOUR COUNTRY AS A BASIS FOR SOCIAL PROTECTION OVER THE LIFESPAN OF A PERSON TO FIGHT POVERTY AND ENSURE ACTIVE INCLUSION

1.1 Minimum income

Overview of the situation as seen by the European Commission of minimum income in Austria:
The eligibility conditions for Guaranteed Minimum Income are problematic for people without Austrian citizenship as they must prove legal residence of minimum 5 years. Another group uncovered are asylum seekers who are at the same time not allowed to work and earn their own income on the labour

market. The base value of the means-tested minimum income (BMS) is oriented towards the single-person net reference amount for the compensatory allowance to top up low pensions (i.e. in 2014: EUR 814, minus health insurance contribution).⁵

Is there a minimum income scheme in your country? If yes, is the level of minimum income adequate in your opinion? Where do you see gaps and possibilities for improvement?

Austria's minimum income scheme basically consists of two defined minimum schemes Notstandshilfe and Bedarfsorientierte Mindestsicherung. One depends on former income and one does not. Both are means-tested and have rather strict eligibility criteria: ability and willingness to work are two of them. Both do not have an explicit temporary character although they are usually taken for less than a year by recipients.

The Notstandshilfe is granted on the basis of former income and is paid from unemployment insurance and is thus only available for people who have been employed for a certain period of time. The unemployment insurance is granted for a maximum of 30 weeks and for up to 55% of the last income. When these 30 weeks are over, Notstandshilfe is granted up to 92% of the unemployment benefit. The longer and more continuously the employment situation was, the better and higher the Notstandshilfe is. This puts younger people and people who have been precariously employed in financially difficult situations, although they are eligible for Notstandshilfe. To make things worse, Notstandshilfe takes into account the partners' income in the household which is often results in exclusion for women.

The Bedarfsorientierte Mindestsicherung was introduced in 2011 following the Sozialhilfe and had the goal of harmonising and making access easier.

⁵ ESPN Thematic Report on Minimum Income Schemes: Austria; European Policy Network; European Commission; October 2015.



Whereas NGOs and experts have been claiming for years that a stronger, rights based approach, more transparency and a higher amount should be granted to avoid hardships for the poorest in Austria, the current discussion has been going in a very different direction, driven by conservative and right wing parties.

The situation for people with subsidiary protection and asylum status has got more and more precarious lately in Austria. Especially problematic is the situation for people who receive subsidiary protection. In some regions they are no longer eligible for the minimum income scheme. This mismatch leaves them in severe poverty. Furthermore they usually often don't apply for the eligibility conditions in institutional housing or other benefits for the very poor in Austria.

Both minimum income benefits are in general more than €200 a month below the poverty threshold of €1,163 for a single-person in Austria. The Notstandshilfe amounts up to a maximum of EUR €882.78, the Bedarforientierte Mindestsicherung amounts up to €837.76 per month in 2016. In reality, people usually receive less than the stated amounts, sometimes only one third.

There are numerous proposals from NGOs on how to make the situation better for people in poverty.

- Harmonising the BMS in Austria on a level that prevents poverty is still a very important issue.
- No separation between people with an Austrian passport and people who have a legal status. Different levels and different access to social benefits will create poverty for people who already have difficulties in finding a job.
- Raising the unemployment benefit replacement rate of currently 55% (Denmark has a net rate of up to 90%) in order to avoid poverty and social exclusion when unemployed. This would also allow the Notstandshilfe to be on a higher level. The partners' income should not be taken into account as this creates dependency of women on their partners.
- More transparency in the granting of BMS and a defined rights catalogue on what is included and what is not.

- All together the mixed financing of federal state and regions/municipalities should be rethought as it creates possibilities to reduce expenditure on BMS thus creating different levels of payments in every region.

1.2 Unemployment benefit schemes

Overview of the situation as seen by the European Commission:

To be entitled to an unemployment benefit, a person must be unemployed, able and willing to work (to accept suitable employment), be at the disposal of the job office, and may not have exhausted the duration of the benefit. In addition, the qualifying period mentioned above must be completed. It is paid for at least 20 weeks, increasing to 30 weeks if you have been insured for three years out of a period of five years; 39 weeks for insurance of six years in the last 10 years, if you are at least 40 years old; and 52 weeks for insurance of nine years, if you have been employed for nine years out of a period of 15 years and are at least 50 years old.⁶

Challenges identified by the European Commission:

While tackling the increase in unemployment is an immediate challenge, making better use of labour potential is crucial in the medium term. The relatively low labour market participation rates of older workers, women, low-skilled people and workers with a migrant background could erode Austria's growth potential.⁷

What are the recent developments in your unemployment benefit schemes (e.g. decrease/increase in coverage, limitation/extension of the duration of unemployment benefits)? Where do you see gaps in the system?

The overall tendency is that the duration of unemployment gets longer, with an average increase of 12 days compared to 2015. Long-term unemployment in absolute and relative terms is rising. In April 2015, 120,897 people were registered as long-term unemployed, almost double the amount of three years before. (AMS Datenbank 2016).

⁶ <http://ec.europa.eu/social/main.jsp?catId=1101&int-PageId=2381&langId=en>

⁷ http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_austria_en.pdf



Long-term unemployment and poverty goes hand in hand. The average unemployment benefit in 2015 was €909.5 a month and lies below the poverty threshold of €1,161. The longer people are in unemployment, the more difficult it is to pay for living costs such as rent, heating, food etc.

Some people have more difficulties in getting a job than others. For years it has been the same groups: older workers (in Austria already at the age of 45+), people with health issues, low-qualified workers (only compulsory school) and women with children (WIFO, Prospect 2016).

Precarious jobs are rising, at the same time formal qualifications are of increasing importance.

More jobs in a so called “integrative labour market” (Sozialökonomische Betriebe, Gemeinnützige Beschäftigungsprojekte) are necessary when the labour market does not offer enough jobs that secure a standard of living. There is already a lot of expertise in this field as the Austrian state subsidised “2. Arbeitsmarkt” which was created back in the 1970, on how to integrate people in the so called first labour market by supporting people with training on the job, social work, qualification etc. For further gaps see our answer under 1.1.

1.3 Pensions

Overview of the situation as seen by the European Commission:

The long-term fiscal sustainability of pensions is challenged by accelerating demographic ageing and the low effective retirement age. The old-age dependency ratio is expected to almost double by 2060 and pension expenditure to increase by 0.5 pp. of GDP (vs EU average of -0.2 pp.).

Austria has the EU's sixth largest predicted increase in pension expenditure for the period 2013-2060. Therefore, in 2015, Austria was recommended to undertake structural measures to improve the long-term sustainability of its pension system. These included further restricting early retirement, aligning the retirement age to changes in life expectancy, and bringing forward the harmonisation of the statutory

retirement age for men and women.⁸

Challenges identified by the European Commission: *Older workers have an employment rate below the EU average (43.1% v. 48.8%) and almost 30% of people spend between 1.5 and three years in unemployment or on sick leave just before retiring. The still relatively widespread use of early retirement and invalidity pension schemes as well as a relatively low statutory retirement age for women (60), which is going to increase only very gradually in the future, has a negative impact on the labour supply of older workers.⁹*

What are the recent developments in your pension system (e.g. increase/decrease of the retirement age, increase/decrease in coverage/level of pensions)? Where do you see gaps in the system?

No answer provided.

1.4 Indebtedness of households

Overview of the situation as seen by the European Commission:

A breakdown by sector shows that, after a contraction in 2010 and 2011, Austrian households continued to gradually increase their indebtedness. This is also true for housing price dynamics, which have increased steadily since 2004, both in nominal and real terms, supporting a continued demand for credit.¹⁰

What are recent developments in the level of household indebtedness? Do you know about reasons for these developments? Are there policies in your country to target this problem? What are your recommendations to improve the situation?

Debts are very often the consequences of long lasting poverty. People with low incomes are usually not able to pay for unexpected expenditures. Declining income levels can be a reason for rising debts and indebtedness.

⁸ http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_austria_en.pdf

⁹ http://ec.europa.eu/europe2020/pdf/csr2016/csr2016_austria_en.pdf

¹⁰ http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_austria_en.pdf



2. PROVISIONS FOR DECENT WORK IN YOUR COUNTRY TO GUARANTEE THAT PEOPLE CAN EARN A LIVING AND AVOID IN-WORK POVERTY

2.1 Minimum wage

Overview of the situation as seen by the European Commission:

Between 2008 and 2014, wage increases were broadly in line with the euro area average, but productivity growth was negative. A sizeable low-wage trap for second earners (42.5 % vs 33.4 % in the EU in 2014), is a further incentive for remaining in part-time employment.¹¹

Challenges identified by the European Commission:

The government programme adopted in 2013 includes a number of measures which aim to reduce the gender pay gap between men and women. These comprise obligatory equal pay reports by companies, a legal requirement to state the minimum wage in job vacancy advertisements and a number of other measures, such as a wage calculator and awareness-raising for unconventional career paths.¹²

Is there a minimum wage scheme in your country? If yes, is the level of minimum wage adequate in your opinion? Where do you see gaps and possibilities for improvement?

In Austria, a minimum wage and minimum standards in addition to the legal regulations, essential fields of the working conditions (particularly payment, flexible organisation of working time, supplementary premium) are regulated and negotiated through collective agreements between employers' and employees' representatives.

Unions have demanded a minimum wage of €1,700 a month lately for all branches, which is highly desirable as costs of living are rising in Austria. Currently, the minimum wage is around €1,500.

Minimum wages vary highly between sectors, however. In Austria there is a highly gender segregated labour market with a high quota of women working in the social and health sector and a high quota of men in technical jobs. Historically, industries dominated

11 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_austria_en.pdf

12 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_austria_en.pdf

by men are better paid than typical women's jobs, often with the argument of the level of responsibility taken or the importance of the sector for the economy. Sectors such as the care sector or education are less well paid, even though taking responsibility for sick or old people or children is usually very highly valued in society.

The measures to reduce the gender pay gap are a first step but efforts have to be strengthened to achieve more gender equality. More measures are needed that focus on the provision of affordable and nationwide professional care for children and elderly, so that women can take up work. Reducing working hours with full wage coverage, so that men and women have more time to spend with family and recreational work would be beneficial as well.

2.2 Reconciliation of work and private life

Overview of the situation as seen by the European Commission:

Women are still disadvantaged in the labour market. The gender pay gap is well above the EU average and this has not changed substantially in the last decade. Many Austrian women working part-time report the need to provide care to children or ailing relatives as the main reason. The current schedule of aligning women's statutory retirement age with that of men implies that in 2020, despite high life expectancy, Austria will have the lowest statutory retirement age for women in the EU.¹³

Challenges identified by the European Commission: *Austria has reached a limited progress in increasing the labour market participation of women as the provision and quality of childcare and all-day schools that are compatible with fulltime employment remain inadequate. Also there is a limited progress in increasing the labour market participation of women by providing long-term care facilities that are compatible with full-time employment.¹⁴*

What are recent developments in provisions for maternity and paternity leave in your country (e.g.

13 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_austria_en.pdf

14 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_austria_en.pdf



increase/decrease in coverage/level and duration of benefits, improvements for paternity leave arrangements)? Where do you see gaps in the system of maternity/paternity benefits? Do you see gaps that make the reconciliation of work and private life more difficult in your country? What are your recommendations to improve the situation?

No answer provided.

3. Non-discriminatory universal access to quality and affordable care, social, health, education and lifelong learning and basic financial services (i.e. access to a bank account)

Challenges identified by the European Commission: Limited progress in improving the educational achievement of disadvantaged young people as socioeconomic background continues to have a negative impact on the educational outcomes of young people in Austria, in particular of those with a migrant background, although Austria increasingly acknowledges the importance of improving educational outcomes by proposing reforms aimed at boosting the quality of compulsory education and early childhood education. The recent reforms do not address early tracking (ability grouping) from the age of 10.¹⁵

What are recent developments in the access to services in your country? Where do you see gaps (e.g. groups of people excluded from access to services, certain services not available in some regions etc.)? What are your recommendations to improve the situation?

As mentioned above, asylum seekers are widely excluded from the labour market. They can't be clients of the Public Employment Service (AMS) and therefore have no access to several qualifications and training courses which are provided by this institution. In addition, recognised refugees and beneficiaries of subsidiary protection are not eligible for the Bedarfsorientierte Mindestsicherung (means-tested minimum income) in several federal states of Austria.

Recently, a new law regarding the implementation

¹⁵ http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_austria_en.pdf

of compulsory education and training until the age of 18 (Ausbildungspflicht) has been passed. This initiative could help to combat youth unemployment, reduce the number of youth in unskilled work and supply important low-threshold qualification offers. Unfortunately youths who have not had a positive decision on their asylum application are excluded from the Ausbildungspflicht.

Since September 2016 a new basic bank account is available for everyone, implementing a European Directive. This basic bank account is accessible for homeless people, asylum seekers and indebted people who previously had no legal entitlement to such accounts. It has to provide all usual functions but must not cost more than €40 to €80 a year.

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BULGARIA

INTEGRATION OF THIRD-COUNTRY NATIONALS

1. TOOLS/PROGRAMMES IMPLEMENTED FOR THE INTEGRATION OF THIRD COUNTRY NATIONALS

Overview of the situation as seen by the European Commission:

Bulgarian legislation does not provide definitions of the terms “third-country national” and “immigrant”. The Multi-annual programme (2007-2013) and the Annual programmes 2007 and 2009 of the Republic of Bulgaria under the European Integration Fund discuss the integration of immigrants (third-country nationals). After Bulgaria’s accession to the EU the number of immigrants of non-Bulgarian origin from the former USSR (mainly from Russia, Ukraine, Moldova, Armenia) and the former Yugoslavia (Macedonia, Serbia, Bosnia and Herzegovina) increased.

The major obstacles to integration in BG are common problems in the region. Despite EU law, when seeking or renewing permits, immigrants who meet all the legal requirements still face wide administrative discretion. BG has the most restrictive naturalisation policies out-of-touch with integration processes and out-of-reach for non-EU residents without ethnic Bulgarian roots. Immigrant pupils have extremely limited access to the school system and cannot benefit from any measures or resources to support their specific needs. BG (as well as RO) is one of the most restrictive countries in denying all political rights to the small number of non-EU citizens, residing in its territory. Immigrants have also limited access to health services, with policies that often fail to take their specific health needs into account.¹

Challenges identified by the European Commission:
Bulgaria faced serious challenges in the field of human rights among which three stand out: discrimination and violation of ethnic minorities and refugees’ rights, problems in the places of detention, restrictions on the freedom of speech.

The situation in the places of detention, the freedom of press and the independence of judiciary are still

¹ <http://www.mipex.eu/bulgaria>

areas in which no substantial progress was made. Discrimination against ethnic and sexual minorities, women, people with disabilities and other vulnerable groups continues to be widespread, poorly recognised and addressed by the authorities. Some restrictive policies regarding asylum seekers and refugees fleeing armed conflict and other situations of violence were introduced in 2015.

In 2015 the Prosecutor’s Office of the Republic of Bulgaria continued its systematic practice of not forming pre-trial proceedings for statutory hate speech as well as classifying crimes clearly motivated by racism, homophobia or religious intolerance as ordinary crimes.²

1.1 Are there specific integration policies implemented in your countries by the national, regional and local level? Which categories of third country nationals are they addressing (e.g. refugees, beneficiaries of family reunification, economic migrants, unaccompanied migrant minors)?

After Bulgaria joined the European Union in 2007, the Bulgarian authorities began attempts to establish a common migration and integration policy. The process is deeply influenced by the policies established and developed at the European level. The Bulgarian authorities have prepared two national strategies in the field of migration – National Strategy of the Republic Bulgaria for Migration and Integration (2008 - 2015); National Strategy in the Field of Migration, Asylum and Integration (2011 – 2020). The National Strategies have an annual action plan.

The question of integration is considered secondary. The primary focus is on policies for border control and visas, fighting against illegal migration, returns and human trafficking.

In the last few years, Bulgarian legislation regarding the integration of third country nationals has developed roughly in line with European legislation. The main focus is to simplify the procedure for receiving refugee status. These efforts have resulted in making it legally possible to change status without leaving the country. Nevertheless there are still obstacles in cases of a change of

² <https://ec.europa.eu/migrant-integration/news/bulgaria-faced-serious-challenges-in-the-sphere-of-human-rights-in-2015>



status and employment. Responsibility for the policies and legislation concerning a change of status without leaving the country is shared among several institutions, and sometimes there are misunderstandings between them. The National Strategy for Migration, Asylum and Integration 2010 – 2020 was created to solve some of the existing problems. The same reasons led to the creation of the National Council for Migration and Integration.

There has not been much analysis or practical observation of the legislation connected with changing status without leaving the country. The situation is similar to the practical observations about the possibilities for changing statute, the consequences and the effect of the change in society and on the economy.

The Bulgarian migration, integration and asylum policy is underpinned by national interests and European migration management principles:

1. Legality and the protection of human rights in line with the legal norms, Bulgaria's commitments under the EU Accession Treaty, and the international standards in the field – towards attainment of the objectives of national interest and adherence to the international commitments undertaken in the field of human rights protection;
2. Coordination and partnership on an inter-institutional basis, with the local authorities, the social partners, academic circles, international and non-governmental organisations;
3. Proactive transparency policy to raise civil society's awareness about the importance of the national migration policy for Bulgaria's prosperity and development. Organisation of targeted campaigns to create a climate more conducive to cultural diversity and to counteract xenophobia;
4. Analysis, scientific and proactive approach: Conducting an unbiased analysis of the facts and updating the measures to implement Bulgaria's national policy on a regular basis;
5. Accounting, monitoring and control: Developing regular reports on the overall migration situation in Bulgaria;
6. Equal opportunities: Strict compliance with the anti-discrimination legislation provisions in implementing the migration policy with respect

to third-country nationals and stateless persons residing legally in Bulgaria and adherence to the provisions on fundamental human rights with respect to illegally residing migrants.

Target groups

1. Third-country nationals and stateless persons crossing our national borders illegally or residing illegally on Bulgarian territory beyond the permitted period of stay or where the legal grounds for the stay are no longer relevant;
2. Refugees and asylum seekers or persons granted subsidiary or temporary protection, as well as persons granted humanitarian status;
3. Third-country nationals and stateless persons entering and residing legally (for shorter or longer periods) in Bulgaria for the purposes of employment, education or family reunification;
4. Foreign nationals of Bulgarian origin
5. Bulgarians living outside Bulgaria
6. Bulgarian nationals – first and second generation migrants;
7. Highly skilled migrants.

1.2 How are EU funds for asylum, migration and integration (AMIF) allocated in your countries? Which categories of third country nationals are they addressing (e.g. refugees, beneficiaries of family reunification, economic migrants, unaccompanied migrant minors)?

The European Union shall secure €160 million for Bulgaria for proper management of the borders and to overcome the migrant crisis.

1.3 Are NGO's involved by national and local authorities in the development and implementation of integration programmes? In particular, are NGOs consulted on the allocation of EU Funds for integration programmes (e.g. AMIF)?

Only a few NGOs in the country work in the field of migrant integration. These NGOs work with asylum seekers, refugees and people with humanitarian status, citizens of third countries and illegal migrants. They are as follows: the Refugee-Migrant Service of the Bulgarian Red Cross, Caritas Bulgaria and the Council



of Refugee Women in Bulgaria. These NGOs offer social orientation and consultations, provide parcels of food, clothes and medicines, Bulgarian language courses, etc. There are no refugee representatives in the public institutions engaged in integration. The Refugee-Migrant Service of the Bulgarian Red Cross hires refugees and citizens of third world countries. The migration service of "Caritas Bulgaria" works with foreigners, who voluntarily work as translators. The Chairman of the Council of Refugee Women in Bulgaria is a refugee from Iraq. The Council works through a network of volunteers who have refugee and humanitarian status.

The participants in the National Council for the Development of Integration Programmes are: the Ministry of Labour and Social Policy, Ministry of Internal Affairs, Ministry of Justice, Ministry of External Affairs, Ministry of Health, Ministry of Education and Science, etc. None of the NGOs are powerful enough and experienced enough in migration policies to be included in the process of integration on an institutional level. Usually NGOs work separately on their own projects and if they want to enter the migrants' camps and develop a project there, they are supposed to get a special permit every time.

2. DISCRIMINATION AND INTERCULTURAL COEXISTENCE

Overview of the situation as seen by the European Commission:

*More than 25 ethnic, religious and ethnographic groups are living together in Bulgaria. A variety of ethnic and religious identifications is the dominant characteristic at the local and regional level. More than 20 different languages exist in the Roma group.*³

Challenges identified by the European Commission:

Ethnic minorities, the long-term unemployed, and people with low education continue to face poverty. Therefore, one of the key challenges is to ensure that growth generates wealth for all groups in society. To realise Bulgaria's potential and meet the aspirations of all, the country needs to stay on course in tackling the remaining challenges in its transition agenda, including creating an efficient and competitive business environment; finalising second generation economic reforms. Bulgaria has enacted robust and broad anti-discrimination laws that still need to reach

³ http://www.immi.se/eiw/texts/National_Report_Bulgaria.pdf

*the many potential victims of discrimination in order to access justice in practice.*⁴

2.1 Are there movements/campaigns/initiatives in your country in favour or against the integration of third country nationals? What is your evaluation of them?

The majority of Bulgarian citizens believe that those arriving on European and Bulgarian territory are not refugees. According to sociological research, most of the Bulgarian citizens interviewed expressed the opinion that the new arrivals are economic migrants, who are looking for a job, nice houses, and access to the social security systems of European countries. More than 55% consider that refugees want to take advantage of the social systems of the rich European countries. About 45.1% of the people interviewed believe that refugees are bringing radical Islam and terrorism to Europe.

There is a popular movement for voluntary border patrols consisting of Bulgarian nationalists who illegally detain migrants who cross the borders illegally at night. The organisers of the movement have been prosecuted but they received a lot of media attention and the approval of many Bulgarians.

There are very few initiatives in favour of the integration of migrants from the Middle East and Africa. They are run by NGOs and they are on a small scale, because public opinion in general is against the idea of accepting and integrating migrants.

As positive examples we can point to two initiatives:

The Council of Refugee Women in Bulgaria has a campaign to support child refugees who are studying in the Bulgarian state school system. They are collecting donations of money, books, clothes, etc.

The Multi-Culti Collective is an NGO which has developed a project called the multi-kulti kitchen. Basically they have organised community cooking events in Sofia, during which people from different nationalities cook for Bulgarians. They managed to include refugees in the project as cooks and even managed to organise workshops in Bulgarian state

⁴ <http://www.mipex.eu/bulgaria>



schools. The initiative was small, but it got positive media coverage and presented refugees in a good light. At the same time this NGO's team constantly received threatening emails and phone calls, some anonymous, some not.

2.2 What are your recommendations to fight discrimination and to promote intercultural coexistence in your country?

- The development of media culture and media literacy.
- The development of a new democratic culture, which actively involves citizens in social life in contrast to the culture of passiveness, and the development of democratic awareness among the citizens using the Internet and interactive technologies.
- Creating the right conditions for cooperation between communities and media through the adoption of common platforms, establishing partnerships, inter-relations and the development of joint projects.
- Organising initiatives to develop young people's awareness of religious and cultural diversity and tolerance.
- The development of training programme topics related to multicultural education and the respect for diversity for various job categories.

DEVELOPMENTS IN SOCIAL PROTECTION SYSTEMS

1. ADEQUATE INCOME SUPPORT IN YOUR COUNTRY AS A BASIS FOR SOCIAL PROTECTION OVER THE LIFESPAN OF A PERSON TO FIGHT POVERTY AND ENSURE ACTIVE INCLUSION

1.1 Minimum income

Overview of the situation as seen by the European Commission:

Bulgarian minimum income schemes are well targeted by international comparison: 85% and 65% of GMI benefits and heating allowances go to those in the

lowest quintile. But the scope is very limited due to tight eligibility criteria, which include elements of an assets test. The Bulgarian system of minimum income support requires a person to be extremely poor and devoid of all assets that could potentially generate income in the future.

The basic GMI is inadequate in terms of levels of support. It is far below the official poverty line, which is equal to the Eurostat poverty threshold of 60% of median income. Activation measures are not efficient. The underlying expectation is that recipients of MI support should be proactive. Participation in public works is mandatory for MI recipients who want to keep their registration in the labour office.

The Bulgarian system of MI support needs to be reformed by increasing its scope and adequacy. Currently there are a lot of poor people who cannot access the MI schemes, and for this reason lose access to other public basic services. In Bulgaria, changes to minimum income protection occur very rarely. The GMI is far below the poverty line. Bulgaria followed a pro-cyclical policy, reducing the number of people receiving benefits after the start of economic crisis.

The MI benefits are generally inadequate in terms of their ability to lift recipients out of poverty. Access to universal services remains difficult for the most marginalized and vulnerable groups. The social services are still inadequate and are not distributed appropriately.⁵

Challenges identified by the European Commission: Bulgaria has made limited progress in developing an integrated approach for groups at the margin of the labour market. The Public Employment Services are hiring youth mediators to reach and activate youth NEETs.

The overall effect of the measure is still limited. In the first nine months of 2015, 71,000 individual plans for youth registered with the PES were prepared. From September 2014 to September 2015, 43,000 people over 50 years old started work on the primary market, an additional 16,000 started subsidised employment. Limited progress in the part on minimum wage and minimum social security thresholds. The government plans to establish the criteria for the mechanism for setting up minimum wages towards the end of 2016.⁶

Is there a minimum income scheme in your country? If yes, is the level of minimum income adequate in your opinion? Where do you see gaps and possibilities for

5 Thematic Report on minimum income schemes Bulgaria » ; 2015 ; European Commission.

6 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_bulgaria_en.pdf



improvement?

The minimum income schemes adopted in Bulgaria have little to do with adequate minimum income, if we define it as “income which is necessary for people to live with dignity and participate fully in society”. This is because these minimum income schemes are characterised by extremely low levels of income support, implemented mainly in cases of extreme poverty.

A basic component of the minimum income schemes in Bulgaria are the social assistance allowances. They are provided in cash and/or in kind to meet the basic needs of citizens, wherever it is not possible for them to do so through their work and their assets. The social assistance allowances represent a general non-contributory minimum. They could be: 1. Monthly; 2. Targeted; 3. A lump sum paid only once.

An analysis of the current minimum income schemes in Bulgaria clearly shows that the established minimum income schemes are insufficient:

- The level of the minimum income is not adequate (it differs considerably from the resources needed not only to support participation in society, but also to sustain the physical survival of an individual for a sufficient length of time, i.e. life expectancy at the average rates).
- There are no adequate methodologies to calculate the amounts. Preliminary data from work on reference budgets show a clearly significant difference between actual income and an adequate minimum income.
- Access to minimum income is strongly limited (many of those needing such support do not get it). The underlying cause of limited access to a minimum income is not the lack of awareness of the potential beneficiaries about how to exercise their rights, but a deliberate refusal to be included in the scheme.

The refusal of potential beneficiaries is attributable to the combination of a low minimum income, the existing eligibility rules and the penalties for breaking these rules. The conditions for access exclude a large proportion of people living in poverty – there is a huge

gap between those living in poverty and the number of people on social welfare. Moreover, the level of minimum income is so low that those in need have to seek some other income, but even a minor success will lead to the loss of eligibility for assistance, and since the penalties in the event of infringement are particularly heavy, the potential beneficiaries refrain from requesting the minimum income.

In order to talk about minimum income schemes we need to define and specify the term adequacy and consequently apply it to calculating what adequate minimum income means for the separate countries.

A major obstacle to achieving an ‘improvement’ in minimum income schemes is the “lack of resources”, and the primary reason for the lack of resources is the tax system – the flat 10% tax on individual and corporate income in Bulgaria, for example. If we really want an improvement in minimum income schemes an important step would be to make changes to the tax system. There has long been talk of harmonising tax policies. Isn’t it time to do something about it?

Identification of other institutions (mechanisms) that concentrate incomes (generate inequalities and poverty). For instance - the impact of the actual pension system design, etc.

If several components of the income distribution system are changed, a resource will be generated thus allowing to ‘fill in’ the difference between the actual minimum incomes and the adequate minimum incomes as well as other types of minimum income (minimum wage, minimum pension) so as not to affect basic proportions in income distribution.

1.2 Unemployment benefit schemes

Challenges identified by the European Commission:
The daily unemployment benefit amounts to 60% of the average wage or average contributory income on which unemployment fund contributions are paid or are due for the 24 calendar months preceding the month of termination of insurance. It shall not be lower than a fixed minimum amount. The minimum daily amount of unemployment benefit is determined annually by the Public Social Insurance Budget Act, i.e.



BGN 7.20 (€ 3.68). Unemployed persons who left their job at their own request, with their own consent or because of their own inappropriate behaviour, receive the minimum amount of unemployment benefit for a period of 4 months.

The unemployment benefit shall be granted upon application to the regional unit of the National Social Insurance Institute (NSII). The application shall be submitted personally based on the permanent or present address. The unemployment benefit is paid from the date of termination of the insurance, if the application is filed within 3 months from that date. If the application is submitted after that date for unacceptable reasons, the cash benefit is paid for the specified period, reduced by the period of the delay. Cash unemployment benefits are paid by the National Social Insurance Institute to the bank account declared by the person.⁷

Active labour market policies are insufficiently developed in terms both of coverage and of targeting. Fragmentation of agencies represents a major challenge in delivering benefits and services to the unemployed and the inactive. Coordination between employment offices and the social assistance directorate is not geared to an 18.8.2015 EN Official Journal of the European Union C 272/29 efficient and integrated delivery of measures to help the most vulnerable. Bulgaria has a high proportion of young people neither in employment nor in education or training who are not in touch with the employment services and are thus outside the scope of standard labour market activation measures. Most of Bulgaria's unemployment is long-term, indicating that it is more structural than cyclical. Although the Bulgarian minimum wage is the lowest in the Union in nominal terms, it has increased substantially since 2011 and the Government plans further significant increases in the coming years. Such sharp discretionary shifts in the Government's wage setting policy could be distortive for the labour market. Moreover, there are no clear guidelines for minimum wage setting, so the system creates uncertainty as to whether the right balance will be struck between supporting employment and competitiveness on the one hand and safeguarding labour income on the other. Poverty and social exclusion remain a concern, as Bulgaria has one of the highest rates of material deprivation in the Union. The Roma population faces particularly high levels of poverty and social exclusion. The majority of young Roma are neither in employment nor in education or training. Pre-school and kindergarten enrolment of Roma children is low and almost a quarter of those aged 7-15 are not in the education system.⁸

7 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_bulgaria_en.pdf

8 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_bulgaria_en.pdf

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What are the recent developments in your unemployment benefit schemes (e.g. decrease/increase in coverage, limitation/extension of the duration of unemployment benefits)? Where do you see gaps in the system?

The daily unemployment benefit is 60 % of the average daily wage or the average daily income they were paid and the unemployment insurance contributions made in the last 24 calendar months preceding the month of termination, and cannot be less than the minimum daily amount of unemployment benefit.

The monthly amount unemployment benefit is calculated as described above. The daily amount is multiplied by the number of working days in the month to which it relates.

The minimum daily amount of unemployment benefit bulgaria_en.pdf



is determined annually according to the Budget of the State Social Insurance Act. For 2016 it is 7.20 BGN (€3.65).

There is a proposal for changes in the Employment Law to enable unemployed students to receive unemployment compensation. At present students who work during their education do not receive compensation, although they pay insurance tax for the risk of being left without a livelihood. The reason is that, according to the law, students who enrol at the employment office do not fall into the category of the «unemployed». The National Assembly will decide whether to accept or reject the proposal at the end of 2016.

According to the law, only people who have been employed for more than one year can receive compensation for unemployment. The length of time of compensation is defined by the time worked, as follows:

Labour time (years)	Period of compensation (months)
Less than 3	4
3 to 5	6
5 to 10	8
10 to 15	9
15 to 20	10
20 to 25	11
over 25	12

As you can see from the table people who are fresh out of school or university and have not spent any time in employment are not supposed to receive any unemployment benefits.

1.3 Pensions

Overview of the situation as seen by the European Commission:

The pension system in Bulgaria is sustainable in both the medium and long-term perspectives but faces challenges as to the adequacy of pension benefits. When looking at fiscal sustainability indicators, the Bulgarian pension system is estimated to be on a sustainable path with respect to the expected

demographic evolution in the coming decades. In both the medium and long-term perspectives, the pension component of the cost of ageing is below the EU average.

According to the Bulgarian authorities, the deficit in the pension system financed by the state budget will diminish by 2037. The pension system is currently highly subsidised by the State Budget. With a view to reducing the deficit of the pension system, a recent pension reform has increased social contributions by 2 percentage points (by 2018).

A long-awaited pension reform increases the pensionable age to 65 years for men by 2029 and for women by 2037. The pension reform was adopted in July 2015 following extensive consultations with the social partners. Important measures include the raising and equalisation of pensionable ages and the rise in required contribution periods to 37 years for women and 40 years for men. Moreover, social contributions increase by 2 percentage points and the socially insured can choose more freely between the first and second pension pillar. The accrual rate for each working year will increase from 1.1 to 1.5, which has a positive impact on future pension entitlements for those who can meet the higher required contribution periods. While projections of future pension adequacy under the new legislation are not yet available, the various reform measures tend to make adequate old-age incomes more dependent on individual contribution records. Labour market measures to support the longer working lives of men and women will therefore be crucial to support future pension adequacy.

The number of personal invalidity pensions has grown significantly in the last 15 years. The newly granted invalidity pensions grew by 3.4 % in 2014. Furthermore, the proportion of expenses for invalidity pensions in the total expenses on pensions has grown consistently from 10.3 % in 2000 to 20.3 % in 2010 and 20.6 % in 2014. While the eligibility criteria for invalidity pensions have recently been strengthened in terms of medical checks, the main problem remains the lack of effective control on the ground. The Bulgarian authorities have announced plans to reform the system to take better account of the remaining working capacity of individuals in working age.⁹

Challenges identified by the European Commission: In spring 2015, the Government presented a proposal for reform of the pension system. The adequacy and sustainability of the pension system depend on reforms that incentivise and support longer working lives with fewer interruptions. In 2013, 1.2 million pensioners were found to be receiving pensions

⁹ http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_bulgaria_en.pdf



below the national poverty line. The key drivers behind low pension entitlements are early retirement and short contribution periods. The rapid ageing of Bulgarian society is likely to aggravate the situation in the future. It is therefore appropriate for Bulgaria to further contain growth in age-related expenditure to contribute to the long-term sustainability of public finances, including through implementation of robust pension reforms.¹⁰

What are the recent developments in your pension system (e.g. increase/decrease of the retirement age, increase/decrease in coverage/level of pensions)?
Where do you see gaps in the system?

To qualify for old-age pension the person insured must have reached the minimum retirement age and have a record of having paid their insurance dues for a specific amount of time. Many people have paid into their insurance for the minimum period required, but they have not reached the retirement age. As a result they work more years than they are supposed to until they reach the retirement age, which is increasing every year. After 31 December 2037 the retirement age will be calculated in line with the rise in average life expectancy.

Eligibility for a pension is not barred. This means that people who had fulfilled the conditions for entitlement to old age and insurance record pension in 2015 will be able to retire in 2016 and in subsequent years, regardless of whether there are changes in the conditions for retirement.

If a person is not eligible for a pension according to the above conditions in 2016 they will be able to retire and get an old-age pension at the age of 65 years and 10 months for women and men and not less than 15 years of insurance payments (Art. 68, § 2 of SIC).

Persons who have the required record of insurance payments under Art. 68, § 2 of SIC* can (if they want) retire one year earlier than the age specified in Art. 68, § 1. The pension is granted from the date of the application and is paid for life, but its amount is reduced by 0.4 % for each month needed up to the retirement age.

¹⁰ http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_bulgaria_en.pdf

Military servants become eligible for a pension at the age of 52 years and 10 months and 27 years of paying general insurance premiums, including two thirds of that time, or 18 years, actually served as military servants according to the Law on Defence and Armed Forces of the Republic of Bulgaria and/or as reservists on active service according to the Law on the Reserve of the Armed Forces of the Republic of Bulgaria.

Workers, engineering technicians and managerial staff up to and including the head of a section, employed underground in underground mines, in underground geological and hydro facilities, in underground mining and tunnel construction, who have a 10 year insurance record in these categories until 31 December 2015 inclusive, may retire before reaching the age stipulated in Art. 68 of SIC*, if they have a total of age and insurable service of 90 points, as well as being aged 52 years for men and 47 years for women. From 31 December 2015 the age increases from the first day of each calendar year by two months, reaching 55 for both sexes.

Teachers acquire the right to retire for their insurance and old age pension at the age of 57 years and 10 months for women and 60 years and 10 months for men and with a teachers' insurance payments record of 25 years and 8 months for women and 30 years and 8 months for men. From 31 December 2016, the retirement age will be increased from the first day of each subsequent calendar year.

The minimum pension for old age and the insurance record is determined by the State Social Security Budget Act. From 1 January 2016 till 30 June 2016 the amount is 157.44 BGN (€80,50), and from 1st July 2016 till 31st December 2016 – 161.38 BGN (€82,51).

The amount of the old age and insurance record pension under Art. 68, §3 for those who retired with at least 15 years of actual insurable service and aged 65 years and 10 months for men and women, cannot be less than 85% of the minimum pension under Art. 68, §1. From 1 January 2016 till 30 June 2016 the amount is 133.82 BGN, (€67.62) and from 1 July 2016 till 31 December 2016 – (€69.32) BGN.



The maximum amount of one or more pensions granted until 31 December 2018, without the supplements added to them, is determined as of 1 July 2016 for each calendar year in the amount of 35% and from 1 July 2019 – 40% of the maximum recorded insurance for the particular calendar year specified by the State Social Insurance Budget Act. From 1 January 2016 till 31 December 2016 the maximum amount is 910 BGN (€465), or 35% of 2 600 BGN (€1,329).

1.4 Indebtedness of households

Overview of the situation as seen by the European

Commission:

The share of people living in low intensity households decreased, however both the share of people in monetary poverty and the poverty gap increased for all groups but the elderly. Assessment of the at-risk of poverty rate by household type shows that poverty was concentrated in single adult households, single people with dependent children and households with three or more children. Bulgaria experiences one of the highest income inequality rates in the EU.¹¹

What are recent developments in the level of household indebtedness? Do you know about reasons for these developments? Are there policies in your country to target this problem? What are your recommendations to improve the situation?

Average household debt increased by 42 % because of the increased take-up of bank consumer loans. In the first half of 2015 the average amount of liabilities was 775 Levs while in the first half of 2016 it reached 1,104 Levs. Releasing more loans, banks have become more active entities for debt collection. The statistics show that households cannot cover their monthly expenses with their income, and as a result they postpone paying bills: water, heating, mortgage, credit cards, leasing for furniture and cars, fast loans from non-bank financial institutions, etc.

Recommendations:

- Regulation of the non-regulated market of loans by “non-financial lending institutions”.
- Acceptance of one standard for loan agreements without hidden clauses, with clear and fair

11 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_bulgaria_en.pdf

content, including the method of calculation of interest.

- Applying an obligatory minimum, which the household can use for paying the monthly instalments on the loans.

2. PROVISIONS FOR DECENT WORK IN YOUR COUNTRY TO GUARANTEE THAT PEOPLE CAN EARN A LIVING AND AVOID IN-WORK POVERTY

2.1 Minimum wage

Overview of the situation as seen by the European

Commission:

The rise in the total labour costs is predominantly due to the rise in employer-paid social contributions and other employer-paid labour costs. While wages and salaries have also increased slightly, their share in total labour costs shrank to 84% in 2014.

If the trend continues, this could indicate a possible risk to balanced growth and competitiveness. However, the faster-than predicted nominal wage growth could be partially explained by the presence of Balassa-Samuelson effects, as productivity growth was still higher in tradable than in non-tradable sectors spurring income and wage convergence across the economy.

The average wage dynamics mask important differences in overall wage distribution, with the coverage and level of the minimum wage increasing significantly. The level of the statutory minimum wage is decided by the Council of Ministers after (non-binding) consultations with social partners under the National Council for Tripartite Cooperation.

As there are no rules or guidelines on the setting of the minimum wage, the frequency of updates varies considerably. From 2011 to 2016, the statutory minimum wage was on the rise. Nevertheless, it continues to be — both nominally and in terms of purchasing power standards — the lowest in the EU. In addition to increases in the level, its coverage has doubled, adding to the importance of raising the skills of workers. Preliminary (short-term) estimations by the Bulgarian authorities suggest that about 360,000 people will be covered by the minimum wage in 2016 or about 12 % of the labour force.

This leads to compression of the wage distribution curve, given the continuously growing proportion of employees earning the minimum wage. The social partners have been consulted on a possible mechanism to set up the minimum wage, but there is wide disagreement among them as regards the relevant criteria. The government is considering the



possibility of introducing, as of 2017 at the earliest, sector specific minimum wages to be negotiated by the social partners.¹²

Challenges identified by the European Commission: Although Bulgaria's minimum wage is still the lowest in the EU, it has increased substantially since 2011 and the lack of objective criteria for minimum wage setting creates uncertainty. Despite work of the government and social partners in this area, Bulgaria still has no clear guidelines or transparent criteria for minimum wage setting that take into account its impact on job creation, social conditions and competitiveness.¹³

Is there a minimum wage scheme in your country? If yes, is the level of minimum wage adequate in your opinion? Where do you see gaps and possibilities for improvement?

At the beginning of 2016, the minimum wage in Bulgaria increased to BGN 420 (€212.24). The minimum wage is set to increase by another BGN 40 in 2017. The minimum wage per hour is BGN 2.5 (€1.27) for an eight-hour working day and five-day working week.

This amount is not enough to cover utility bills and food. According to the Bulgarian unions the monthly required amount per person is BGN 563 (€281.50). It would be good if we could change existing legislation so that earnings at the level of the minimum wage, which currently is BGN 420 (€212.24), are not taxed, in accordance with the Bulgarian tax system. In other words these earnings should not be treated as higher income rates, and should be free from taxes.

2.2 Reconciliation of work and private life

Overview of the situation as seen by the European Commission:

Female workers/employees are entitled to pregnancy/childbirth leave of 410 days per child, of which forty-five days must be taken before giving birth. Where the child's parents are married or live in the same household, the father is entitled to 15 days leave which begins on the date the child's mother is released from hospital. With the consent of the mother (or adoptive mother), after the infant reaches the age of six months the father (or adoptive father) may use paternal leave in lieu of the mother for the remainder of the leave

¹² http://ec.europa.eu/eurostat/statistics-explained/index.php/Wages_and_labour_costs

¹³ http://ec.europa.eu/europe2020/pdf/csr2016/csr2016_bulgaria_en.pdf

period of 410 days. In addition to maternity and adoption leave, the mother is additionally entitled to parental leave in respect of her first, second and third child until they reach the age of two years, and in respect of each subsequent child up to the age of six months. With the consent of the mother, this type of leave may be used by the father or any of the child's grandparents if they are in an employment relationship.

There are also other types of leave such as leave granted for carrying out civic, public or other duties; attending training courses; carrying out trade union activities; active duty as a member of the volunteer reserve corps etc.¹⁴

What are recent developments in provisions for maternity and paternity leave in your country (e.g. increase/decrease in coverage/level and duration of benefits, improvements for paternity leave arrangements)? Where do you see gaps in the system of maternity/paternity benefits? Do you see gaps that make the reconciliation of work and private life more difficult in your country? What are your recommendations to improve the situation?

Those insured for sickness and maternity have the right to temporary disability benefit if they have a minimum record of six months payment of insurance premiums. This requirement does not apply to persons under 18 years of age and for the entitlement to benefits for accidents at work and occupational diseases or readjustment.

Those insured for sickness and maternity have the right to receive benefits for pregnancy and birth for a period of 410 calendar days, 45 days of which must be taken before the birth.

If childbirth occurs before the expiration of these 45 days from the initial use of the benefit, the remaining days from these 45 are used after the birth.

When the child is stillborn, dies or is given up to a state institution for care or for adoption, the mother has the right to receive benefit until 42 days after the birth. If the ability of the mother following the birth is not restored after 42 days, the duration of the benefit

¹⁴ Source: <https://ec.europa.eu/eures/main.jsp?catId=8427&acro=living&lang=en&parentId=7770&countryId=BG&living=>



is extended at the discretion of the health authorities until her full recovery for work. Until the expiry of the 410 days the benefit is paid as benefit for pregnancy and childbirth.

When the child is given up for adoption, placed in a state supported child care institution or dies after the 42 days from the birth, the pregnancy and birth benefit payment is terminated from the next day. In these cases, if the ability of the mother following the birth is not restored, the duration of the benefit is extended at the discretion of the health authorities till her full recovery for work. Until the expiry of the 410 days the benefit is paid as compensation for pregnancy and childbirth.

Those insured for sickness and maternity, who adopt a child, have the right to receive benefits for the birth of a child in the amount within the time margin from the day of the adoption till the expiry date due for a benefit for child-birth.

Fathers insured for sickness and paternity have the right to receive benefit for childbirth in the amount determined for pregnancy and childbirth, up to 15 calendar days during the relevant leave according to the Labour Code, if they have a 12 month record of insurance dues payments for this risk.

Adoptive parents/fathers insured for sickness and paternity have the right to receive benefit after birth of a child at the amount determined for pregnancy and birth after the child reaches the age of six months for the remaining up to 410 calendar days during the relevant leave according to the Labour Code, if they have paid insurance premiums for this risk for at least 12 months. The father can use this leave with the consent of the mother.

In the case of serious illness of the mother (or adoptive mother), which prevents her from taking care of her child, or the death of the mother and/or the father, the person who uses leave under art. 167 of the Labour Code has the right to receive benefits for childbirth or child-raising. The benefit is also paid to the self-employed who are insured for sickness and maternity.

After the expiry of the benefits for pregnancy and childbirth, during the additionally paid leave for raising a child, the mother (or adoptive mother) is paid a monthly benefit in the amount determined by the State Social Security Budget Act (SSSBA). For 2016 it was 340 BGN (€172.32).

Where the additional paid leave for raising a child is used by the father (or adoptive father), rather than the mother (or adoptive mother) or the person who has taken care of the child, he/she will be paid a monthly benefit in the amount determined by the Budget Act of the State Social Insurance.

The self-employed who are insured for sickness and maternity also have the right to receive benefits for raising a child.

Gaps:

The biggest problem that Bulgaria has faced in recent years is the demographic crisis. The state must prepare and initiate a set of measures, an overall family policy, to tackle this crisis. Maternity leave compensation should not be less than the minimum salary because it replaces the income of the mother earned from her labour.

Maternity leave is accessible only for women who work under a collective labour agreement. The first year the mother can stay at home and receive 90% of her salary, based on her income in the two years before the pregnancy. If the mother cannot prove a two year income base (which is often the case with women under 25), she will only receive the minimum salary (€210). In the second year the mother gets only 340 Leva (€120), which is less than the minimum salary. If the mother starts working after the first year she can transfer her maternity leave to the father of the child, who is not supposed to work, to receive €120 per month for taking care of the child. Due to the low level of compensation most fathers do not take paternity leave. The women who haven't been working under a collective labour agreement before their pregnancy receive only €70 per month for one year and have no right to use the second year.

Kindergartens in Bulgaria take children from the age





of three and the state run kindergartens have endless waiting lists. The private nurseries are extremely expensive by Bulgarian standards. On top of that state kindergartens only accept healthy kids. If the kid is sick one of the parents is supposed to stay home and take care of them, which is not acceptable to most employers. Suddenly being employed and taking care of a kid is mission impossible. That is why the majority of families decide that they cannot afford to have a second child.

In the last few years the Bulgarian government has become aware of this negative tendency and tried to apply some measurements to improve the environment for families with kids. For example now it is possible to transfer maternity leave also to the grandparent of the child.

3. NON-DISCRIMINATORY UNIVERSAL ACCESS TO QUALITY AND AFFORDABLE CARE, SOCIAL, HEALTH, EDUCATION AND LIFELONG LEARNING AND BASIC FINANCIAL SERVICES (I.E. ACCESS TO A BANK ACCOUNT)

Overview of the situation as seen by the European Commission:

In general, the Bulgarian system of MI support needs to be reformed by increasing its scope and adequacy. Currently there are a lot of poor people who cannot access the MI schemes, and for this reason lose access to other basic public services, like healthcare. Access to universal services remains difficult for the most marginalised and vulnerable groups. There are many barriers in the way of people reaching such basic services as education/kindergarten, school, training and healthcare in the area of hospital and pre-hospital help, especially if there is no health insurance. The social services are still inadequate and are not distributed appropriately. School attendance conditionality was introduced in 2007 for the means-tested family benefits for children. It was intended to increase enrolment and reduce school dropout¹⁵.

The education system has limited capacity to include vulnerable groups and equip learners with relevant skills. Vulnerable groups such as Roma and pupils from poor families continue to face significant obstacles in accessing and completing education. The level of enrolment among Roma at all levels of education is significantly lower than for non-Roma. The early school leaving rate continues to increase and is particularly high in rural areas and less developed regions. Removing barriers to the participation in

15 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_bulgaria_en.pdf

early childhood education of disadvantaged children is essential to increase educational outcomes and prevent dropouts¹⁶.

Challenges identified by the European Commission: Reinforce and integrate social services and active labour market policies, in particular for the long-term unemployed and young people not in employment, education or training. Increase the provision of quality education for disadvantaged groups, including Roma. Improve the efficiency of the health system by improving access and funding, and health outcomes. In consultation with social partners establish guidelines and criteria for setting the minimum wage. Increase the coverage and adequacy of the minimum income scheme¹⁷.

What are recent developments in the access to services in your country? Where do you see gaps (e.g. groups of people excluded from access to services, certain services not available in some regions etc.)? What are your recommendations to improve the situation?

The social security system is very bureaucratic. Access to social services is difficult, because it requires filling a lot of complicated forms and visiting different administrations. Pensioners have many difficulties and cannot cope with all standards and regulation. At the same time there is no adequate public information about accessing social services.

It is very difficult for people in need to find complete and objective information about social services. In most cases, the available information is less than necessary and it is transferred from person to person. It is almost impossible to obtain the necessary information from one single institution. The problems of disabled people are even more serious. The social security system is not adapted to serving people with different types of disability - there is no transport for them to the buildings occupied by social services; no special care corresponding to the illness and disability of these people.

There is permanent and reasonable dissatisfaction

16 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_bulgaria_en.pdf

17 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_bulgaria_en.pdf



with the public health system by all social groups – retired people, middle classed families with children, minority groups, etc.

The specific group which suffers the most from discrimination and limited access to the public health system and social system is the retired people of Bulgaria, living in remote places. As a group they cannot be identified by their ethnical or foreign origin, they are specified by their age, their low income and the geographical situation of their homes. They don't have access to proper social services, because they live in places where the medical and social facilities have been closed for years. Sometimes the minimum pension is €70 - far less than the minimum salary. The average pension is about €120 and this actually leaves the majority of retired Bulgarians in a poverty trap.

It is possible to contemplate increasing the amount of the state subsidy for social assistance. The State must control social service providers properly to ensure compliance with regulations and standards in the provision of various types of services. The state must develop or allow the development of new services that correspond to the needs of the different categories of elderly people. It must take visible steps to ease access for disabled people to social services. And last but not least the state must organise national information campaigns for social services.

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CROATIA

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INTEGRATION OF THIRD-COUNTRY NATIONALS

1. TOOLS/PROGRAMMES IMPLEMENTED FOR THE INTEGRATION OF THIRD COUNTRY NATIONALS

Overview of the situation as seen by the European Commission:

Newcomers to HR face barely halfway favourable policies for their integration. With an overall MIPEX score of 43/100, it ranks 30th out of 38 countries, alongside other 'new' immigration countries in Southeast Europe (e.g. BG, GR, HU, RO, SI, and Western Balkans). Croatia's policies that best promote integration are in areas of European law. Nevertheless, these legal conditions can be undermined by authorities' rather discretionary procedures, a problem across Central and Eastern Europe. Future policies and funds need to address the areas missing in its current integration strategies: work-related language courses, access to vocational training and study grants, targeted education support for children beyond language learning, health entitlements/access and a migrant health plan, discrimination against non-EU citizens and political participation (e.g. voting rights, support and consultative bodies for immigrant leaders)¹⁸.

Challenges identified by the European Commission:

Increase access to vocational training for non-EU citizens, including through access to study grants for permanent residents and family migrants; Guarantee all pupils' access to intercultural education throughout curricula by developing a systematic national educational framework; Increase political participation of non-EU citizens by extending local voting rights to permanent residents; Guarantee equal healthcare entitlements for all categories of migrants, including undocumented migrants; For permanent residence and naturalisation, make language requirements more attainable for both low- and high-educated non-native speakers¹⁹.

1.1 Are there specific integration policies implemented in your countries by the national, regional and local level? Which categories of third country nationals are they addressing (e.g. refugees, beneficiaries of family

18 <http://www.mipex.eu/croatia#/tab-anti-discrimination>

19 <http://www.mipex.eu/croatia#/tab-anti-discrimination>



reunification, economic migrants, unaccompanied migrant minors)?

The main policy documents dealing with the integration of migrants are the *Migration Policy of the Republic of Croatia for the Period 2013-2015*²⁰ and the *Action plan for the removal of obstacles to the exercise of particular rights in the area of the integration of foreigners 2013- 2015*²¹. The Migration Policy's areas of implementation are: visa policy, status issues for foreigners, Croatian citizenship, asylum, integration policy, irregular migration and the Croatian diaspora. The Action Plan is foreseen within the Migration Policy as one of the measures and is considered to be the national strategy on the integration of migrants.

The various measures foreseen in this Action Plan have different beneficiaries, most of them targeting refugees, persons under subsidiary protection and asylum seekers, hence not all migrant groups benefit from all the measures²². The activities outlined in this Action Plan focus on regulating the position and integration of refugees and subsidiary protection beneficiaries due to their vulnerable positions. Those considered most vulnerable are afforded certain specific measures. For example, asylum seekers who have been subjected to torture, rape or other serious forms of violence, and asylum seekers with specific health needs benefit from specific guarantees under the right to health protection. Some groups of foreigners (long-term residents, foreigners granted temporary stay, short-term residence, refugees, students, seasonal workers, etc.) are entitled to the specific measures according to other laws and bylaws.

20 Croatia, Migration Policy of the Republic of Croatia for the period 2013–2015 (Migracijska politika Republike Hrvatske za razdoblje 2013. - 2015. godine), Official Gazette (Narodne novine) No. 27/2013. Available at: http://narodne-novine.nn.hr/clanci/sluzbeni/2013_03_27_456.html.

21 Croatia, Action plan for the removal of obstacles to the exercise of particular rights in the area of integration of foreigners 2013 – 2015 (Akcijski plan za uklanjanje prepreka u ostvarivanju pojedinih prava u području integracije stranaca za razdoblje od 2013. do 2015. godine), available at: www.uljppnm.vlada.hr/index.php?option=com_content&view=article&id=113&Itemid=83.

22 Kuti, S., European University Institute (2014), Integration Policies – Country Report for Croatia, INTERACT RR 2014/13, available at: <http://cadmus.eui.eu/bitstream/handle/1814/32655/INTERACT-RR-2014%20-%202013.pdf?sequence=1>

The implementation of the Action plan was flawed, however, and the Report didn't address all the envisaged measures. Specifically, the problem areas were the healthcare system, accommodation and housing, education and employment. The health workers were informed about the framework of rights in the Law on Mandatory Health Insurance and Health Care for Foreigners, but in practice deficiencies remained, as there were many cases in which services were denied to refugees. In addition to this, the lack of understanding caused by cultural differences and language barriers often makes access to healthcare services difficult for foreigners. In terms of specific services for trauma, torture and rape victims, psychiatric support is insufficient and wider professional psychosocial support should also be provided. The Ministry of Science, Education and Sports is often criticised for responding slowly to the needs of integration and it has promised to adopt documents which standardise educational opportunities for migrants, thus facilitating their access to education²³. However, it has not shown sufficient interest in and support for schools in which migrant children are enrolled, making it harder for schools to provide additional teaching assistance to children in this category. In terms of accommodation and housing, unaccompanied migrant minors are a particularly vulnerable group as they are mostly accommodated in educational institutions for children and juveniles, instead of children's homes and appropriate alternative accommodation.

For the current period 2016-2018 there is still no valid Action plan. The working group was assembled in May and several meetings were held, but the work on the new Action plan was interrupted by the unstable political situation in Croatia (the Government fell in June, and the new one is yet to be formed at the time of writing, i.e. 28 September 2016).

1.2 How are EU funds for asylum, migration and integration (AMIF) allocated in your countries?

23 Šelo Šabić, S., Čvrlić, S. and Baričević, V., Institute for International Relations (2011), Welcome? Challenges of integrating asylum migrants in Croatia, Zagreb, German Council on Foreign Relations (DGAP), available at: https://bib.irb.hr/datoteka/550154.Challenges_of_integrating_asylum_migrants_in_Croatia.pdf



Which categories of third country nationals are they addressing (e.g. refugees, beneficiaries of family reunification, economic migrants, unaccompanied migrant minors)?

EU funds for asylum, migration and integration are yet to be allocated in Croatia (in 2016 and 2017).

The strategic basis of the AMIF programme was defined in the *Migration Policy of Republic of Croatia for the period 2013 to 2015 and the Action plan for removing obstacles to the exercise of individual rights in the area of integration of foreigners in the period 2013-2015*. The funds are mostly for refugees. The national programme plans the distribution of funds between asylum (40% of AMIF), migration/integration (25% of AMIF), return (24% of AMIF) and solidarity (0.6% of AMIF). 11% of AMIF is to be allocated to technical assistance²⁴.

1.3 Are NGO's involved by national and local authorities in the development and implementation of integration programmes? In particular, are NGOs consulted on the allocation of EU Funds for integration programmes (e.g. AMIF)?

The activities of NGOs complement the support offered by the government, but often completely compensate for the activities and assistance that should be provided by the competent state authorities. The volunteers from some organisations play a crucial role in the day-to-day assistance for migrants, in particular for refugees, who need help to guide them through the complex bureaucratic system²⁵. Some national and international organisations participate in funding integration activities, actively engage in advocacy (communicating the needs of the integration system to the authorities), and lobby for solutions. The draft of the national programme on the allocation of EU

24 MoI, National Programme AMIF, available at: https://www.mup.hr/UserDocsImages/minstarstvo/2016/fondo-vi/15.2/C_2015_9175_EN_ACTE2_f.pdf

25 Šelo Šabić, S., Čvrlić, S. and Baričević, V., Institute for International Relations (2011), *Welcome? Challenges of integrating asylum migrants in Croatia*, Zagreb, German Council on Foreign Relations (DGAP), available at: https://bib.irb.hr/datoteka/550154.Challenges_of_integrating_asylum_migrants_in_Croatia.pdf

funds for asylum, migration and integration was prepared in consultation with relevant authorities and organisations involved in the issues of asylum, migration, integration and return, most of which will be involved in its subsequent implementation. During the implementation of the programme the partnership process will follow similar principles. The main partners will be state authorities and other public entities (ministries, state offices, agencies, local authorities), international and non-profit organisations, NGOs and scientific research institutions (involved in the preparation of expert studies and analysis), EU Agencies and networks (Frontex, EASO), as well as some key international organisations and associations (such as UNHCR, IOM and ICMPD). The involvement of non-state actors (NGOs and the private sector) will be ensured through the exchange of information and direct meetings.

2. DISCRIMINATION AND INTERCULTURAL COEXISTENCE

Overview of the situation as seen by the European Commission:

Non-EU citizens' opportunities on the HR labour market are similar to the average European country and slightly more favourable than in most Central European countries. However, they have limited access to general or targeted support to find the right job. The creation of its 1st comprehensive anti-discrimination law 85/2008 has been the greatest new development in its integration policy in HR, similar to most new countries of immigration, esp. in Central Europe. Its slightly favourable law and weaker equality bodies are average for Europe, meaning that many potential victims in HR and elsewhere may be too poorly informed and supported to bring forward their case²⁶.

Challenges identified by the European Commission:

Relatively few complaints and cases have been made by potential victims of ethnic/racial or religious discrimination. In 2013, the Ombudsman registered 44 complaints on racial/ethnic grounds and 15 on religious grounds. Under Croatia's Anti-discrimination Act, statistics on discrimination cases must be collected by all judicial bodies and reported to the Justice Ministry and Ombudsman. In 2012, Croatia had 116 pending civil proceedings (only 16 closed), 16 pending criminal proceedings (with 4 closed without convictions) and 95 pending misdemeanour cases (leading to 37 judgments). Proceedings are regularly initiated on the grounds of ethnicity, race/colour and

26 <http://www.mipex.eu/croatia>



*national (ethnic) origin*²⁷.

2.1 Are there movements/campaigns/initiatives in your country in favour or against the integration of third country nationals? What is your evaluation of them?

The Welcome Initiative, *Are You Syrious* initiative, the *Society of Africans in Croatia* and various friendship societies of different countries represent examples of good practice in the integration of third country nationals through direct support for migrants (especially refugees), sensitisation of the local population through campaigns and educations, and the establishment of a welcoming society. In Croatia, there are no public movements or initiatives against the integration of third world nationals, but there have been several examples of hate speech or unfavourable speech towards third country nationals.

The lack of public awareness of the presence of immigrants and refugees and noticeable levels of fear and hostility towards immigrants, including refugees, complicate the process of their integration in society and local communities²⁸. Such social surroundings threaten to isolate migrants from Croatian society, undermine their capacity for creating social capital and, as examples from other national systems demonstrate, further obstruct the potential for their successful integration- institutional socialisation, education and participation in the labour market. The combination of scarce media coverage and negative reporting on these topics is particularly problematic. Distorted and incomplete information about the context of the arrival and transit of asylum seekers and undocumented migrants, their background, as well as the reasons and circumstances of their arrival in Croatia, greatly contributes to the rise in xenophobia and creates a climate of hostility and misunderstanding.

2.2 What are your recommendations to fight

27 <http://www.mipex.eu/croatia#/tab-anti-discrimination>
28 Šelo Šabić, S., Čvrljak, S. and Baričević, V., Institute for International Relations (2011), *Welcome? Challenges of integrating asylum migrants in Croatia*, Zagreb, German Council on Foreign Relations (DGAP), available at: https://bib.irb.hr/datoteka/550154.Challenges_of_integrating_asylum_migrants_in_Croatia.pdf; Pozniak, R. and Petrović, D., *Asylum seekers as threat*, Stud. ethnol. Croat., vol. 26, str. 47-72, Zagreb, 2014; available: <http://hrcak.srce.hr/file/196916>

discrimination and to promote intercultural coexistence in your country?

In order to fight discrimination and promote intercultural coexistence in Croatia, national authorities, as well as institutes and organisations, should focus on researching, documenting and providing statistical data about the actual situation regarding discrimination in Croatia. With relevant indicators and figures, it would be easier to track both the level of discrimination and the level of intercultural coexistence and react accordingly. The education system needs to integrate civic education in the curriculum in order to fight prejudices and in order to develop critical thinking and an understanding of cultural and other differences. Children of third world nationals should be systematically included in the education system upon their arrival.

The media need to be informed about migration, and to focus on the affirmation of differences and non-discrimination of others, while following the relevant topics continuously and objectively. It is crucial to develop activities in local communities which encourage cohabitation and exchange between the local population and refugees and migrants.

DEVELOPMENTS IN SOCIAL PROTECTION SYSTEMS

1. Adequate income support in your country as a basis for social protection over the life-span of a person to fight poverty and ensure active inclusion

1.1 Minimum income

Overview of the situation as seen by the European Commission:

*The unsatisfactory performance of the minimum income provision leads to the relatively high poverty gap. The Zajamčena minimalna naknada (ZMN) is a national scheme administered by centres for social welfare under the authority of the ministry of social policy and youth and is means and asset-tested. ZMN is not adequate to cover basic subsistence, covering only between 32%-46% of subsistence needs of different model of households, defined as 60% of median income. Currently, the scheme reaches only about 12% of those at-risk-of-poverty but leakage of the scheme to higher income groups is extremely low and targeting appears to have improved over time*²⁹.

29 <http://ec.europa.eu/europe2020/pdf/csr2016/cr2016> ►►►



Challenges identified by the European Commission: *Only a small share of the overall social protection budget is spent on the nation-wide minimum income scheme. This results in inefficiencies and provides insufficient protection to the poorest. Croatia should consider expanding the ZMN programme to reach more of those at risk of poverty, perhaps by reducing the amount spent on some categorical programs³⁰.*

Is there a minimum income scheme in your country? If yes, is the level of minimum income adequate in your opinion? Where do you see gaps and possibilities for improvement?

There is a minimum income scheme in place in Croatia called the Zajamčena minimalna naknada (ZMN), however as noted above, it is inadequate in both population coverage (covering only 12 % of the population at-risk-of-poverty, and only 16.2% of the poorest income quintile)³¹ as well as the level of income disbursed to families (covering less than 50% of subsistence needs). Furthermore, because the ZMN is only a small component of the overall social protection budget, and other categories of benefits are disbursed with inconsistent eligibility criteria and amounts disbursed, the result is that there are significant disparities in levels of social protection across the regions. Focus group work done by the Centre for Peace Studies under the IPA 2011 project "Equality Surveyor" of the European Union indicates that there exists discrimination against national minorities in accessing social protection benefits, in particular with respect to the Roma population. Significant improvements could be reaped if the system of social protection were simplified, specifically targeted at the poorest households, and a greater share of total social protection spending were redirected to increasing the coverage and the disbursement level of the minimum income scheme.

1.2 Unemployment benefit schemes

Challenges identified by the European Commission: *The problem of high inactivity is compounded by high unemployment; the low utilisation of the labour*

[croatia_en.pdf](#)

30 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_croatia_en.pdf

31 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_croatia_en.pdf

potential holds back growth. Youth unemployment remains a key concern, pointing to weaknesses in the education system, and there is still room to improve the effectiveness, monitoring and evaluation of the Youth Guarantee. Long-term unemployment rates have fallen recently but are still about twice the EU average. Participation in lifelong learning remains very low, due to an underdeveloped adult education system³².

What are the recent developments in your unemployment benefit schemes (e.g. decrease/increase in coverage, limitation/extension of the duration of unemployment benefits)? Where do you see gaps in the system?

There have been no recent changes in the amounts or duration of unemployment benefits. However, it is worth mentioning that the Croatian Employment Service (CES) is currently undergoing reform (2015-2017) with the goal of improving administrative efficiency and offering new services to link the unemployed with the labour market and thus decrease the level of unemployment. Nevertheless, this reform has yet to bear fruit and the high rate of unemployment and inactivity, in particularly amongst youth, represents one of the most pressing challenges for the sustainability of the social welfare state and the Croatian economy.

While recent declines in the unemployment rate are promising, the previously unemployed are not necessarily being incorporated into employment, as the absolute number of employed persons has decreased from 2015 to 2016, and is projected to be 1% lower in 2016 than the previous year. Migration out of Croatia, and an ageing population no doubt have influenced the movement of both the employment and unemployment rates. Youth who are not in employment, education or training (NEET), mid-life and pre-pension adults, and the long-term unemployed represent crucial population groups that urgently need to be capacitated and reintegrated into the modern labour force. The latest figures show that 32.2% of registered unemployed in July 2016 were over the age of 50, and 16.6% were between the ages of 15 to 24 years³³. At the same time, a staggering

32 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_croatia_en.pdf

33 http://www.hzz.hr/UserDocsImages/OS_Sazetak_Lipanj2016.pdf



59.1% of registered unemployed were unemployed for longer than a year, and took an average of 19 months to find employment³⁴. Unfortunately an outdated education system and a dearth of adult education and training programmes remain barriers to progress.

1.3 Pensions

Overview of the situation as seen by the European Commission:

Inflows into early retirement and disability pensions decreased in the first 11 months of 2015, but vulnerabilities in the system remain. The positive trends in early retirement could be partly related to the improved situation on the labour market, but possibly also to policy measures taken over the past years³⁵.

Challenges identified by the European Commission:

A large proportion of the working age population does not participate in the labour market. One of the main reasons for this is early retirement, also among prime-aged men. Early retirement is possible a full five years before the statutory retirement age and financial incentives to work until (and beyond) that age are weak. In addition, the pension system is characterised by a number of special provisions for specific categories of workers and generous early retirement options for certain occupations. Statutory retirement ages for men and women are being brought into line and increased to 67, but only slowly. Both the current and future adequacy of pensions is low and creates high risks of poverty in old age, especially for those with short working lives³⁶.

What are the recent developments in your pension system (e.g. increase/decrease of the retirement age, increase/decrease in coverage/level of pensions)? Where do you see gaps in the system?

Shortly after the parliamentary elections of November 2015, in March 2016, the Prime Minister, Tihomir Oreskovic, announced that the retirement age would rise from 65 to 67, starting in 2028, a full decade earlier than had been planned by the previous government³⁷. However, this government was short lived, and new parliamentary elections were held in September 2016.

34 http://www.hzz.hr/UserDocsImages/OS_Sazetak_Lipanj2016.pdf

35 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_croatia_en.pdf

36 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_croatia_en.pdf

37 <http://www.jutarnji.hr/vijesti/hrvatska/pobuna-hdz-a-protiv-premijerova-plana-mirovinska-reforma-i-odlazak-u-penziju-sa-67-godina-nece-proci-otkud-mu-to-toga-nema-u-nasem-programu/3718473/>

Considering the public backlash against the proposed change in retirement age, it is unlikely that the new government coalition will follow through with the quickening of the proposed changes in retirement age. It is important to note that early retirement is common and widespread in Croatia, with 12% of the working age population in some form of retirement (the highest in the EU)³⁸. However, this is not only a result of the incentives inherent in the pension system, but also the availability, quality and remuneration of employment on the labour market.

While early retirement penalties could be increased, this would only further punish those who have been forced into early retirement for lack of employment options, discrimination against old age, or because of outdated skills for which there is little demand on the labour market. A more productive and structural approach to decreasing early retirement would be to significantly increase the availability of adult training and education programmes, and to develop a clear strategy for re-integrating older workers into the economy. Perhaps the most important gap in the pension system is the inadequacy of benefits which leave the elderly vulnerable to poverty.

1.4 Indebtedness of households

Overview of the situation as seen by the European Commission:

Households deleveraging started in 2011, but progressed slowly on the back of long loan maturities and increasing debt repayment burden. In the pre-crisis period, the housing boom supported sustained demand for real estate loans. As real estate prices started to adjust, credit growth to the household sector fell sharply. As almost half of the loans were granted for real estate purchases, the average duration of the outstanding household debt remains high. A sharp deterioration of labour market conditions and decreasing disposable income have hindered a swift repayment of household debt and increased its burden. Aggregate household debt therefore contracted by only 1.7 pp. of GDP between 2010 and 2014 and is now the highest among peer countries.

Pressures to reduce household debt are subsiding as the situation on the labour market improves and real estate prices stabilise. According to estimates by the Croatian National Bank, household debt is broadly in

38 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_croatia_en.pdf



line with the fundamentals (unemployment, real estate prices, GDP, interest rates, rate of ownership). So far, contained increases in wages and slight improvements in unemployment have failed to boost the demand for new housing loans. As the situation on the labour market improves and real estate prices show sign of bottoming out, residual pressure to reduce debt levels appears contained. Interest rate and exchange rate risk nevertheless continue to weigh on households' debt repayment. Household indebtedness is coupled with currency risk exposure due to the banks' practice of extending EUR and CHF long-term loans³⁹.

What are recent developments in the level of household indebtedness? Do you know about reasons for these developments? Are there policies in your country to target this problem? What are your recommendations to improve the situation?

As new data have not yet been published we are not sure how household debt has evolved recently. The composite index "Index of consumers' sentiment" measured by the Croatian National Bank showed a slightly lower level in August 2016 than in September 2015⁴⁰. Credits from credit institutions have been on a constant rise since February 2013, however, according to the data from the Croatian National Bank. Particularly severe cases of indebtedness are those of mortgage loans⁴¹, and many have recently lost their homes through foreclosures.

The Republic of Croatia should find a way to deal with these cases in a socially just way, ensuring that families whose homes have been taken will be able to live in a social apartment.

The Consumer Bankruptcy Act entered into force on 1 January this year. There are a number of issues with the

39 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_croatia_en.pdf

40 See Hrvatska narodna banka (2016), "Bilten", No. 227., p. 113, available at <https://www.hnb.hr/documents/20182/1047571/hbilt227.pdf/931da48e-02d0-4a02-b9cc-84306e26eca5>.

41 See Falck, O. and S. Schönherr (2016), An Economic Reform Agenda for Croatia: a comprehensive economic reform package prepared for the Croatian Statehood Foundation (Zaklada Hrvatskog Drzavnog Zavjeta), ifo Forschungsberichte 70, ifo Institut, München, available at http://www.cesifo-group.de/DocDL/ifo_Forschungsberichte_70_2016_Falck_Schoenherr_Croatia.pdf, p. 56.

Act⁴²: citizens can lose their homes in a complicated and opaque bankruptcy procedure; in addition to simplifying bankruptcy procedures, the number of advisers who instruct consumers about which steps to take in case of difficulties should be increased.

Furthermore, business banks should be made to communicate "clearly and in plain language"⁴³ with people who want to get a loan, to avoid misunderstandings between the bank and the customer as well as potential debt problems later on.

2. PROVISIONS FOR DECENT WORK IN YOUR COUNTRY TO GUARANTEE THAT PEOPLE CAN EARN A LIVING AND AVOID IN-WORK POVERTY

2.1 Minimum wage

Overview of the situation as seen by the European Commission:

The Croatian labour market is slowly recovering from the crisis but weaknesses remain. Wages have been moderating over the past years, and unit labour costs remained largely stable in 2015. But inefficient wage determination in the public sector hampers government control over the wage bill and may hinder wage flexibility. The authorities have also set up an expert team involving social partners to analyse the coverage and effects of a minimum wage in terms of employment, productivity and social exclusion, with the aim of proposing future policy actions. This research focuses on sectors with the highest incidence of minimum wage⁴⁴.

Is there a minimum wage scheme in your country? If yes, is the level of minimum wage adequate in your opinion? Where do you see gaps and possibilities for improvement?

A minimum wage exists in Croatia, but it is very low in

42 <http://lider.media/aktualno/biznis-i-politika/hrvatska/zakon-o-stecaju-potrosaca-je-zapravo-zakon-o-njihovoj-eutanaziji/>.

43 European Banking Authority (2015), "EBA Guidelines on arrears and foreclosure", Final report on guidelines on arrears and foreclosure, available at https://www.eba.europa.eu/documents/10180/1163130/EBA-GL-2015-12_EN_GL+on+arrears+and+foreclosure/7fa86adb-5661-41a9-8d49-7ac2e20958fd, p. 6.

44 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_croatia_en.pdf



comparison to other EU countries. It was ranked eighth lowest in January 2016, both in gross terms and in purchasing power parity. Almost all Eastern European countries find themselves at the lower end of this scale⁴⁵. It is too low and should be gradually increased.

The Minimum Wage Act was enacted in 2013⁴⁶, but it needs to be amended. The Union of Autonomous Trade Unions of Croatia would like to see it set out the definition of the minimum wage more clearly. In addition, the minimum wage should be specified as the basic wage so as to be able to calculate additional compensations⁴⁷.

2.2 Reconciliation of work and private life

Overview of the situation as seen by the European Commission:

*Working pregnant women and mothers are entitled to **maternity leave** until their child turns six months of age. After the compulsory maternity leave (from day 28 before the expected date of delivery for a period of 70 days after birth), a working or self-employed mother is entitled to an additional maternity leave that lasts until the child turns six months of age and that she may transfer to the father of the child by a written statement.*

*Working parents have the right to **parental leave** after the child turns six months of age. The right to parental leave is the right of both working parents and it is generally used in an equal part: eight months for the first and for the second child, 30 months for twins, for the third, and for any subsequent child (each parent in the duration from four or 15 months). During maternity leave, the beneficiary receives a benefit of 100% of the salary received in the period of six months preceding the leave, while during parental leave the benefit is EUR 348. The beneficiary may be a non-working parent and parent outside the system of employment (such as full-time students, persons not eligible for work) subject to the fulfilment of certain legal conditions. The benefit during maternity or parental exemption from work/care is EUR 217.⁴⁸*

What are recent developments in provisions for maternity and paternity leave in your country (e.g.

45 http://ec.europa.eu/eurostat/statistics-explained/index.php/Minimum_wage_statistics.

46 http://narodne-novine.nn.hr/clanci/sluzbeni/2013_04_39_720.html.

47 Savez samostalnih sindikata Hrvatske (2015), "Predizborna platforma SSSH 2015.: Za Hrvatsku zadovoljnih ljudi", available at www.sssh.hr/upload_data/site_files/predizborna_platforma.pdf, p. 8.

48 http://europa.eu/epic/countries/croatia/index_en.htm.

increase/decrease in coverage/level and duration of benefits, improvements for paternity leave arrangements)? Where do you see gaps in the system of maternity/paternity benefits? Do you see gaps that make the reconciliation of work and private life more difficult in your country? What are your recommendations to improve the situation?

The current government reneged on giving €1,000 per each newborn child⁴⁹, even though this was a major campaign promise before it came into power. There is a problem with a lack of places for children of pre-school age in crèches and kindergartens⁵⁰. In addition, the fact that the prices of crèches and kindergartens vary throughout Croatia⁵¹ makes it difficult for parents to afford them, which means that working parents have a problem with childcare during the day.

To solve the aforementioned problems there should be more investment in crèches and kindergartens as well as a standardisation of criteria for childcare so that it is equally affordable and available.

3. NON-DISCRIMINATORY UNIVERSAL ACCESS TO QUALITY AND AFFORDABLE CARE, SOCIAL, HEALTH, EDUCATION AND LIFELONG LEARNING AND BASIC FINANCIAL SERVICES (I.E. ACCESS TO A BANK ACCOUNT)

Challenges identified by the European Commission:

Croatia is underperforming on access to and the quality of the education system. Large regional differences in the availability and quality of early childhood education and care (85) help explain why Croatia has the lowest rate of participation in education (71.4 %) in the EU among 4 to 6 year olds.

There are indications that access to healthcare and long-term care is an issue. Spending on healthcare (7.5 % of GDP in 2013; EU-28: 8 % in 2012) and disability benefits (3.6 % of GDP in 2013; EU-28: 2 % in 2012), including disability pensions, has been slightly increasing and accounted for 52 % of total social

49 <http://www.vecernji.hr/hrvatska/ministrice-jure-tic-otkrila-zasto-je-vlada-odustala-od-1000-eura-za-bebe-za-kon-ostaje-za-iducu-vladu-1102230>.

50 See <http://klokanica.24sata.hr/specijal/vrtic/sto-mozete-napraviti-ako-vam-dijete-nije-primljeno-u-vrtic-656>.

51 See <http://www.novolist.hr/Vijesti/Rijeka/Raznolike-cijene-predskolskih-ustanova-Vrtic-u-Cavlima-900-a-u-Viskovicu-400-kuna>



protection spending in 2013⁵².

What are recent developments in the access to services in your country? Where do you see gaps (e.g. groups of people excluded from access to services, certain services not available in some regions etc.)? What are your recommendations to improve the situation?

As regards the education system, the current government has effectively stopped curricular reform. Due to current government instability i.e. failure to secure a stable majority in Parliament, proposed changes to the Act on obligatory health insurance – that would have made obligatory health insurance more expensive – did not go through⁵³.

In order to improve the quality of education, in particular that of children aged 4 to 6, Croatia needs more investment in kindergartens in order to make them more widely available. This should go hand in hand with a standardisation of the criteria for access to kindergartens. Furthermore, as the European Commission's Country Report underlines⁵⁴, adult education and lifelong learning should be drastically improved.

The health service sector has been under constant threat from advancing commercialisation and privatisation while the population has suffered from the rising costs of healthcare. While health sector reform should be further pursued to make the health care system more efficient, this should not be at the cost of lowering the quality of the health sector and there should be no further commercialisation or privatisation in the health care sector.

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52 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_croatia_en.pdf

53 <http://dnevnik.hr/vijesti/hrvatska/oporba-srusila-kvorum-i-onemogucila-izmjene-zakona-o-obveznom-zdravstvenom-osiguranju---440884.html>.

54 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_croatia_en.pdf, p. 83.

CZECH REPUBLIC

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INTEGRATION OF THIRD-COUNTRY NATIONALS

1. TOOLS/PROGRAMMES IMPLEMENTED FOR THE INTEGRATION OF THIRD COUNTRY NATIONALS

Overview of the situation as seen by the European Commission as seen by the European Commission: Recent country of immigration since 1990s, Czech Republic has small non-EU immigrant population (2.5%). Czech Republic continues to take the lead in Central Europe in developing an integration policy that can respond to the needs of local communities, immigrants and their children. Authorities took several 1st steps forward to remedy weaknesses identified by MIPEX in 4 areas, but also took a few steps back in 2 areas, family reunion and long-term residence.

Czech Republic's many settled non-EU residents and increasing number of newcomers face slightly more obstacles than opportunities to fully participate in society⁵⁵.

Challenges identified by the European Commission: As highlighted by the European Commission, third-country nationals in the EU continue to face barriers in the education system, on the labour market, and in accessing decent housing. They are more at risk of poverty or social exclusion compared to host-country nationals, even when they are in employment. Children are exposed to a particularly high risk of poverty⁵⁶. Furthermore, the Migrant Integration Policy Index (MIPEX) – frequently used by the European Commission as an accountable source for evaluating the implementation of integration policies in the EU Member States – states that Czech Republic integration policies still have far to go in order to guarantee equal rights and opportunities for non-EU citizens. The policy is not strong in any area of integration, with strengths and weaknesses in each. Like most European countries, CZ policies are strongest in areas with EU law though gaps still emerge there⁵⁷.

55 <http://www.mipex.eu/czech-republic>

56 European Commission Communication for an Action Plan on integration of third country nationals COM(2016) 377 final

57 <http://www.mipex.eu/czech-republic>



1.1 Are there specific integration policies implemented in your countries by the national, regional and local level? Which categories of third country nationals are they addressing (e.g. refugees, beneficiaries of family reunification, economic migrants, unaccompanied migrant minors)?

There are about 465,000 migrants living officially in the Czech Republic. More than half, about 267,000 are third country nationals (from Ukraine, Vietnam, Russia, etc.). More than 70% of them have permanent residence. The main authority for migration and integration policies in the Czech Republic is the Ministry of the Interior (Moi) which is also the managing authority for the AMIF. There are also other ministries which deal with specific areas – e.g. the Ministry of Labour and Social Affairs deals with employment, the Ministry of Education Youth and Sports with education, etc. In January 2016, the Government approved the current version of the “Concept of Integration of Foreigners – In Mutual Respect” integration programme.

The primary targets of the state integration programme are legally residing third country nationals who are not applicants for international protection. A new supplementary target group are people granted international protection, in addition to the National Integration Programme for Refugees. In exceptional cases EU citizens (EU Member States, EEA and Switzerland) could also be a target group. The main goals of the state integration policy are: immigrant’s knowledge of the Czech language; economic self-sufficiency; knowledge of the country’s society and mutual relations between immigrants and the majority. Czech integration policy is financed from different sources – mainly through AMIF, ESF and the National Integration Programme for Refugees, which share these goals. There are only a few municipalities with local integration strategies as well as financial instruments for local organisations (e. g. the City of Prague). These budgets are rather limited. There is some good practice – e.g. the Integration Platform of municipalities and local NGOs meeting regularly in Prague. However, Czech integration policy remains very much centralised.

1.2 How are EU funds for asylum, migration and integration (AMIF) allocated in your countries? Which categories of third country nationals are they addressing (e.g. refugees, beneficiaries of family reunification, economic migrants, unaccompanied migrant minors)?

The AMIF Programming for the period 2014-2020 has an allocated budget of €27,685,177. 20% is dedicated to Asylum, 46% to integration, 25% to Returns and 9% to Technical assistance. The national programme was agreed by the EC in March 2015. The first call for proposals was launched in July 2015. This significant delay caused many problems in integration programmes, NGO’s stability and also a lack of resources for legal and social services to detainees during the period of the so-called refugee crisis in Czech detention centres in 2015. The AMIF’s target group in the field of integration is third country nationals legally residing in the Czech Republic. This target group was further limited and thus does not include some of the most vulnerable migrant groups (e.g. holders of “order to leave the country” who can live in Czechia for even a few years and may potentially get permanent residence).

The priority of the new programming period has been (amongst others) to support regionally-established Centres to Support the Integration of Foreigners (referred to hereafter as Integration Centres) and broaden their services at the local level. There are 12 Integration Centres in 12 regions out of a total of 14. Some of them are managed by the Ministry of the Interior itself, two by NGOs, one is subordinated to the regional administration, and one is run by an NGO founded by the City of Prague. The limited funding in this programming period and significant support especially for the Integration Centres has caused a gap in the financing of the migrant-rights NGOs. Integration support has concentrated on the provision of Czech language courses (mostly only A1 level courses are available) as well as advice on legal and social (employment, healthcare, etc.) issues.



The ESF has much a larger budget, and its target groups are broader in comparison to the AMIF. Immigrant's support from ESF is rather marginal. From the whole budget of €4.4 billion in the programming period 2007-2013 about €15 million was targeted specifically at immigrants. In the new programming period 2014-2020 the definition of immigrants in the OPE (Operational Programme for Employment, managed by the Ministry of Labour and Social Affairs) is broader than in AMIF. Immigrants are understood as all foreign nationals (including EU citizens) who have a visa for more than 90 days, have long-term or permanent residence, who are asylum seekers or refugees as well as those who are in an irregular situation. This broad definition enables beneficiaries to react to changing realities and includes lot of different types of immigrants, which is crucial taking into account the very limited AMIF target group. There have been some attempts to limit the target group and to exclude EU citizens and migrants in an irregular situation. The administration of the ESF in the Czech Republic remains extremely bureaucratic (new electronic system difficulties, length of selection process, complicated calls for proposals, budgetary rules towards irregularities of projects, etc.). Moreover, projects on migration issues are just a few, competing with other applications in the ESF call for proposals, and their success rate is therefore low.

1.3 Are NGO's involved by national and local authorities in the development and implementation of integration programmes? In particular, are NGOs consulted on the allocation of EU Funds for integration programmes (e.g. AMIF)?

All obligatory AMIF mechanisms for consultations with civil society are in place; however, they remain formal and have almost no impact on the management of the funds. At the beginning of the new financial period a survey was sent to NGOs, which did not include many important questions (e.g. allocations, co-financing, effectiveness of 100 % on-site controls, target groups). The survey could have provided useful feedback for the programme's improved targeting and operation. The monitoring committee could also have a potential

as a discussion platform between the state and civil society. Nevertheless, the meetings are formal and there is no space for participatory dialogue or search for a consensus. There are communication issues not only between civil society and the AMIF managing authority but also within the Ministry of Interior itself (between the Managing Authority and Asylum and Migration Department that coordinates the state integration policy).

The ESF also has a consultation mechanism – a monitoring committee meets regularly and discusses major problems in the programme. However, there is only one NGO among the 28 members of the Committee (which is not even from the migration/ integration field). The integration of (im)migrants is a very rare subject of discussion. There is no special platform providing consultation with NGOs in the integration area. The lack of a meaningful consultation results in calls prepared in such a way that they do not respect the existing structure of NGOs (e.g. obligation to cover the territory of the whole Czech Republic with its services) or the community planning of social services (approved at the regional and local levels). Instead of respecting existing control mechanisms of the social services, the AMIF Managing Authority has created its own system of control placing a great bureaucratic burden on recipients of AMIF. The amount of obligatory documents for the project's administration are, however, also problematic because they have a negative effect on the NGO-migrant relationship. For example migrants dealing with specific problems (domestic violence, problems at work etc.) find it extremely insecure to provide their personal data for project purposes.

The ESF should be more open to the possibility of making specific calls for proposals for (im)migrant integration. AMIF projects should be enabled to support EU citizens who face socio-economic marginalisation. It is a common situation that people coming to the NGO asking for help cannot be served due to the project rules. The classification of clients of integration services based on their citizenship or legal status increases bar-



riers for the provision of services based on migrants' needs. The situation could be ameliorated through closer cooperation between AMIF and the ESF. Good practice, evaluation and real results of programmes and projects are not disseminated widely enough. Therefore, good evaluation practice with qualitative indicators should have greater recognition and be given enough resources.

2. DISCRIMINATION AND INTERCULTURAL COEXISTENCE

2.1 Are there movements/campaigns/initiatives in your country in favour or against the integration of third country nationals? What is your evaluation of them?

The negative politicisation of migration and asylum is a recent phenomenon. It was partly induced by Tomio Okamura's Dawn of Direct Democracy, an anti-immigration party, which entered the Czech Parliament in 2013. The growing politicisation of the topic of migration has been particularly apparent since the end of 2014 and with the Czech political reactions to the so-called European asylum crisis and the terrorist attacks on Charlie Hebdo journalists in Paris at the beginning of 2015. As a reaction to the attacks, a social movement against Islam – led mainly by academic Martin Konvička – was able to get a lot of media attention and staged – along with other groups – a number of demonstrations throughout 2015 and 2016. One of the biggest issues during 2015 was a demonstration of the far-right political party National Democracy on 1 July where the anti-migrant demonstrators even brought gallows "for the country traitors", which was heavily criticised afterwards.

While the Czech government has played an ambivalent role – the Social Democratic Prime Minister presenting more liberal positions and the Minister of Interior carrying out a policy of migration control – in the approach to refugees, the President has played a prominent role in spreading negative attitudes towards refugees and Islam. In his critical speech about the spread of bigotry in Europe and the US, the UN human

rights chief Zeid Ra'ad Al Hussein, specifically mentioned the President of the Czech Republic, Miloš Zeman, among other politicians spreading hate speech⁵⁸.

The contrast between the rise in political xenophobia and the small numbers of asylum seekers and refugees in the country led one local politician to claim: "we have probably eight political candidates for one refugee who claim that they will protect us from the refugees"⁵⁹. The multiple anti-immigrant and anti-Islam parties and political groupings that have appeared in Czechia recently have been fragmented and often in conflict with each other. On one hand the potential for greater political success for these parties seems limited, which was confirmed by the 2016 autumn regional and Senate elections. Only Tomio Okamura's Dawn of Direct Democracy party (in coalition with the Citizens' Rights Party supported by the President Miloš Zeman) entered 10 out of 13 regional parliaments. There is not much room for a party to win on an anti-immigrant card alone. On the other hand, most mainstream parties share the security perspective on migration. There has been prevalent right-wing talk of the threat of "mass migration", "illegal migration" and the "non-integratable" Muslim migrants.

The growth of anti-refugee and anti-immigrant sentiments can be seen in public opinion polls. As the sociologist Prokop pointed out, it would, however, be wrong to draw conclusions from the opinion polls too quickly, partly because they very much depend on the phrasing of the questions. He suggested that there were about 30 to 40 per cent of the Czech population that had consistently negative views on the reception of refugees, which "cannot be extended to the mythical 80 per cent of xenophobes". Still this perception (supported by wide-spread online hate-speech)

58 <http://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=20452&LangID=E>

59 <https://video.aktualne.cz/dvtv/v-cr-je-osm-kandidatu-na-jednoho-uprchlika-politici-vyvolava/r~13443ada899a11e6a3e5002590604f2e/?redirected=1476797360>



contributes to the perception of a narrow space for alternative interventions by politicians who “see it as risky to have any kind of more conciliatory statement with regards to refugees and a more humane solution to the migration crisis”⁶⁰. At the same time in comparison to attitudes towards immigration in the Visegrad countries (Czechia, Hungary, Poland, Slovakia) Czechia stands out as a country whose citizens “do not recognise much the positive impacts of migration and with regards to the cultural benefits have been the most critical”⁶¹.

Civil society has in various ways been involved in the integration of (im)migrants and refugees and their recognition in Czech society. On one hand there have been long-term campaigns in favour of migrant rights. This includes efforts coordinated by the Consortium of Migrant Assisting NGOs and its member organisations in the areas of inclusion of migrants into the public health insurance system⁶² and the extension of political – especially voting – rights to non-EU citizens in local elections. Currently these campaigns are not very visible due to mostly closed structures. One of the main political aims of migrant rights NGOs is that the migrant rights situation should at least not worsen. On the other hand civil society responded in multiple ways to both immediate needs posed by the so-called refugee crisis as well as the more long-term questions of the position of different groups of migrants in Czech society and the quality of intercultural relations.

One of the indirect effects of the so-called refugee crisis has been a rise in hate crime. While in 2014 the In Iustitia NGO recorded 89 incidents of prejudiced attacks on migrants, Muslims or refugee/migrant

60 Prokop, Daniel (2015), ‘Úvod do praktické sociologie: Strach z fiktivních 80 procent’, *Novinky.cz*, 29 September, accessed 5 October 2015 at www.novinky.cz/kultura/salon/381891-uvod-do-prakticke-sociologie-strach-z-fiktivnich-80-procent.html.

61 Leontieva, Yana (2015), ‘Postoje k migrantům v zemích Visegrádské čtyřky: proměny v čase a kontextuální vlivy’, In Klára Vlachová (ed), *Národní identity a identifikace: Česká republika, Visegrádská čtyřka, Evropská unie*, Prague: Sociologické nakladatelství (SLON), pp. 153-154.

62 See www.konsorcium-nno.cz/cz/kategorie/2.

rights organisations, there was a sharp increase of 141⁶³ such attacks in 2015. The biggest year-on-year rise concerned attacks targeting Muslims and NGOs. Civil society was caught unprepared by the increase in bigotry against refugees and (im)migrants manifested in different spheres and institutions. However, some organisations have been able to respond and present an alternative perspective on migrants (e.g. the Migration Manifesto⁶⁴), some reorganised their activities and new organisations and informal initiatives were set up.

First, there have been a number of initiatives against the spread of hoaxes and prejudiced information in the media and in social media, which partly made up for the lack of effective regulation or self-regulation of media (e.g. HateFree, A2Iarm.cz, Denikreferendum.cz, Hlídacípés.cz, Faktus.info, Manipulatori.cz). Second, a number of social and political groups and individuals have organised demonstrations against xenophobia and in support of refugees (e.g. No to Hate Speech, Against Xenophobia from a Left Perspective, Initiative No Racism!, Young Greens, Socialist Solidarity). Third, there have been efforts in the area of intercultural education and public awareness-raising including new initiatives such as the Student Movement for Solidarity, or specific efforts by some church or church-related groups. Some of the intercultural education programmes met with increased negative reactions, e.g. the Ministry of Education distanced itself from one of the intercultural programmes prepared after it was attacked by a private TV channel and politicians⁶⁵. On the other hand, in what can be seen as a positive step, the Ministry decided to support citizenship education. Fourth, humanitarian support and volunteering were organised for asylum seekers in Czechia (e.g. Autonomous Cultural and Social Centre Klinika) or on the so-called Balkan route (e.g. Helping People on the Journey); this included support for asylum seekers

63 This is a preliminary number.

64 See <http://www.migracnimanifest.cz/en/index.html>.

65 See <http://migraceonline.cz/cz/e-knihovna/vzdelavaci-uprchlicke-bublity>.



who were detained by Czech authorities and later released (e.g. "Hlavák" Initiative). Showing the help provided to refugees on their perilous journey was one of the ways in which attempts were made to alter the negative image of refugees. Fifth, there were substantial criticisms of human rights violations in Czech detention centres especially by the Ombudsman and the Organisation for Aid to Refugees.

2.2 What are your recommendations to fight discrimination and to promote intercultural coexistence in your country?

First, it is recommended to shift the boundaries of the public debate on migration as the extreme-right has been able to influence the mainstream with its ideas especially since the beginning of 2015. The democratic parties cannot pose as "authentically" xenophobic in competition with the other (e.g. anti-immigrant) parties and should avoid simplified solutions to the so-called refugee crisis. Second, it is crucial to look for shared interests among different groups of persons – migrants and Czech nationals - living in Czechia and address the negative impacts of globalisation for particular localities and persons. Third, professional migrant rights NGOs and trade unions need to overcome the social isolation towards (im)migrants. Fourth, municipalities could play a bigger role not only in the integration process but also potentially politically as a counter-weight to the state policies.

DEVELOPMENTS IN SOCIAL PROTECTION SYSTEMS

1. ADEQUATE INCOME SUPPORT IN YOUR COUNTRY AS A BASIS FOR SOCIAL PROTECTION OVER THE LIFESPAN OF A PERSON TO FIGHT POVERTY AND ENSURE ACTIVE INCLUSION

1.1 Minimum income

Challenges identified by the European Commission: *The minimum income scheme is managed centrally with the source of general taxation. The Czech Republic is not in the group of countries with the most*

generous MIS. The impact of MIS on reducing poverty is questionable: although the level of social assistance benefits often makes it possible to achieve the poverty threshold, housing costs are not fully covered. Problems may emerge due to insufficient coverage of some categories and mainly due to non-take-up of benefits⁶⁶.

Is there a minimum income scheme in your country? If yes, is the level of minimum income adequate in your opinion? Where do you see gaps and possibilities for improvement?

The minimum income scheme (benefits in material need - hmotná nouze) in the Czech Republic is managed centrally and sourced from general taxation. It consists of two main parts – income subsidy and housing subsidy⁶⁷ - and aims to guarantee a minimum monthly level of household income. Since 2007 the scheme operates with two levels of guaranteed minimum income – a life minimum (životní minimum, approx. €125 per adult per month in 2016) and an existential minimum (existenční minimum, approx. €80), originally introduced as a punitive tool. Subsidies are means-tested, based on monthly assessments; the recipients are not allowed to have savings or other property (with exception of the housing⁶⁸) and have to prove they are searching for a job if unemployed⁶⁹.

Low-income households should be primarily supported through social support scheme (státní sociální podpora), which is mostly income-tested and above others include child benefits for low-income families

⁶⁶ http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_czech_en.pdf

⁶⁷ Plus individually assessed support for unexpected household expenses (*mimořádná okamžitá pomoc*)

⁶⁸ Car ownership can be allowed only if proved that it is used for employment. There are some other exceptions.

⁶⁹ If unemployed benefit claimants need to be registered at the Labour office. Unwillingness to accept offered job as well as forgetting to come to appointment with labor counselor can lead to loss of the rights to the MIS benefits. The registration at the Labour office also gives the right to have health insurance covered by the state.



and housing subsidies. But as the generosity of several benefits has been reduced in past years, most particularly by the abolition of social supplements (sociální příspěvek) for families with children in 2011/2012, some low-income families have fallen into the minimum income scheme⁷⁰.

The impact of minimum income schemes (MIS) on reducing poverty is questionable. The guaranteed minimum income is constructed as a safety net, with the subsidies level being legislatively restricted to cover basic needs. However, for the majority of households the minimum income scheme presents the main source of income in the long term (in 2014 75% of households had received the benefits for seven or more months). The level of guaranteed minimum income has not been re-valued since 2012, i.e. its real value had decreased. Moreover a large proportion of MIS recipients do not qualify for housing allowances from social support schemes and thus cover their housing costs only from MIS. A 2015 amendment introduced a new cap on the housing subsidies within the MIS, which means that a larger part of the cost needs to be covered from income subsidy.

Nonetheless when the housing costs are included, the overall income of households allows the majority of poor families to not fall below the poverty threshold as defined by the legislation (životní minimum). This is partly due to the relatively higher housing costs of low-income, especially Roma, families. Once the housing costs are excluded, only a minority of MIS recipients found themselves above the relative poverty level (defined as 60% of median equalised disposable income)⁷¹. From this point of view MIS does help to cover the basic expenses of poor households but does not fight poverty.

Gaps and room for improvement:

- The level of minimum income needs to be valorised. Unfortunately, current attempts (legislative

⁷⁰ Research Institute For Labour And Social Affairs (2013) http://praha.vupsv.cz/Fulltext/vz_363.pdf

⁷¹ Research Institute For Labour And Social Affairs (2016) http://praha.vupsv.cz/Fulltext/vz_414.pdf

amendment currently approved by Parliament) aim to decrease the benefit level for those who receive benefits for more than six months to the above-mentioned existential minimum and make a partial increase conditional upon public service or another type of employment. Given the main problems such as the low accessibility of employment for certain groups, the high level of indebtedness and low wages (see below) this may only increase the vulnerability of the poorest and accelerate the process of social exclusion.

- There are no current data on the level of coverage/non-take-up, but field evidence points to low accessibility of information, which combined with the stigmatising effect of MIS schemes (and ethnic labelling) points to the fact that certain groups do not apply for the benefits they might have a right to receive or do not receive full support. This is partly due to the general emphasis on controlling any misuse in the social protection of the poor in the public debate as well as in the administration of the MIS scheme. A shift towards emphasis on social protection and social rights is crucial for any improvement in the social protective role of MIS. This should be also translated into a better access to information both for existing and potential benefits claimants.
- As there is a high level of employment and low level of relative poverty in the Czech Republic, there is limited political attention given to these groups of people, who find themselves slightly above the poverty level⁷² - i.e. there is limited support for those families that do not qualify for the minimum income scheme but still struggle to meet every day expenses. For example 42% of households declared they were unable to cover unexpected expense of 9,600 CZK (approx. €355) in 2014⁷³ (the

⁷² There were only 9,7% of population bellow poverty threshold defined as 60% median equalized disposable income but 17,1 bellow 70% median in 2015. (Příjmy a životní podmínky domácnost 2015 <https://www.czso.cz/csu/czso/prijmy-a-zivotni-podminky-domacnosti>)

⁷³ Czech Statistical Office (2015) <http://www.statistikaamy>.



percentage had slightly decreased in 2015/2016). Single parent families with kids and families with three and more kids are particularly at risk of income poverty and material deprivation⁷⁴. The Czech Republic does not have a scheme of universal family benefits and with the exception of the housing allowance only provide a rather limited support for low income working families.

- The above-described problem of the coverage of housing costs cannot be reduced to the low generosity of MIS, but reflects a wider problem of the lack of social housing policy in the Czech Republic – including high housing costs, the low quality of housing for low-income households, ethnic spatial segregation, etc. Social housing legislation is currently in the legislative process. This is crucial for a more systematic response to the poverty driven exclusion of quality housing.
- The MIS (as well as other types of benefits) does not take into account the possibility of over-indebtedness of the household. Consequently families facing property seizure (esp. salary seizure) may find themselves below the poverty threshold as defined by the legislation but cannot apply for any support. This further contributes to the exclusion of over-indebted households from the formal labour market.

1.2 Unemployment benefit schemes

Overview of the situation as seen by the European Commission:

Unemployment fell to 4.9 % in the third quarter of 2015, one of the lowest rates in the EU, and youth and long-term unemployment also fell. The employment rate reached 75.1 % in the third quarter of 2015, well above the EU average of 70.6 %, as more workers were drawn into the labour market. However, the population of working age is projected to fall in the coming years⁷⁵.

What are the recent developments in your unem-

cz/wp-content/uploads/2015/07/1804150708.pdf

74 Czech Statistical Office (2015) <http://www.statistikaamy.cz/wp-content/uploads/2015/07/1804150708.pdf>

75 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_czech_en.pdf

76 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_czech_en.pdf

ployment benefit schemes (e.g. decrease/increase in coverage, limitation/extension of the duration of unemployment benefits)? Where do you see gaps in the system?

The official unemployment rate is one of the lowest in the EU. It fell to 5%⁷⁶ in 2015 and further decreased in 2016. Youth and especially long-term unemployment fell in absolute as well as relative numbers. However, unemployment affected disproportionately the elderly (31% of unemployed in 2015 were 55 years and older) and low-skilled groups (29% of unemployed in 2015 have basic or no education)⁷⁷. The position of the elderly has worsened in recent years. There are also considerable regional differences - unemployment is nearly twice as high as the national average in the (post-) industrial cities of the Northwest border regions and in Northern Moravia and Silesia⁷⁸. These regions are also disproportionately influenced by long-term unemployment (approx. 55%, i.e. 15pp higher than average⁷⁹) and a high proportion of low skilled groups (20pp higher). The overall employment rate of women in 2015 was 17pp lower for women than men⁸⁰.

The payment of unemployment benefits is based on previous social insurance contributions from employment. The replacement rate is between 45-65%

76 Unemployment rate based on labour force sample survey. The number is 6,6% based based on job applicants register Czech Statistical Office (2015) https://vdb.czso.cz/vdbvo2/faces/cs/index.jspx?_afPfm=vystup-objekt&pvo=ZAM01-B&skupId=426&katalog=30853&pvo=ZAM01-B&str=v467&u=v413_VUZE-MI_97_19, Ministry of Labour and Social Affairs (2016) <http://www.mpsv.cz/files/clanky/26023/rocenka2015.pdf>

77 Co Ministry of Labour and Social Affairs (2016) <http://www.mpsv.cz/files/clanky/26023/rocenka2015.pdf>

78 10-12% compared to 6,6 % average in 2015 (based on job applicants register) Ministry of Labour and Social Affairs (2016) <http://www.mpsv.cz/files/clanky/26023/rocenka2015.pdf>

79 Ministry of Labour and Social Affairs (2016) <http://www.mpsv.cz/files/clanky/26023/rocenka2015.pdf>

80 48% of women compared to 65% of man in 2015 (using different methodology from Eurostat) Ministry of Labour and Social Affairs (2016) <http://www.mpsv.cz/files/clanky/26023/rocenka2015.pdf>



(differentiated according to length of unemployment and between age groups), the receiving of benefits is limited according to the age of the unemployed person to five (younger than 55), eight (50-55) or 11 months (55 and more). The right to the benefit is conditional upon registration with the Labour Office via the unemployment database, which in turn also gives the person free access to health insurance. The benefit can be combined with different types of benefits, including means and income-tested, where it is considered as a labour market income. With earnings from work, it can be combined only if the income is below 50% of the minimum wage per month.

Given the conditionality of previous employment and time limits, the coverage is rather low – about one fifth of the unemployed (101.8 thousand in 2015⁸¹) have the right to unemployment benefit. Average monthly unemployment benefits in 2015 were at 24% of gross average earnings⁸².

Gaps in the system:

- The condition of previous employment for claiming employment benefit is set at 12 months within the past two years. This implies that the most vulnerable groups on the labour market – i.e. people working in different type of precarious employment (temporary contracts, part time jobs, self-employment, etc) - often have limited access to unemployment support. This also partly applies for state subsidised employment, if it lasts for less than 12 months. Accessible data show a rise in the use of temporary contracts, work outside an employment relationship that did not cover social insurance and of self-employment in the post-crisis period. Consequently the part of the population that is most endangered by job loss is excluded from unemployment benefit scheme protection.
- Time limits on the benefit had been reduced as a part of post-economic crisis austerity measures but have not been returned to previous levels

81 Ministry of Labour and Social Affairs (2016) <http://www.mpsv.cz/files/clanky/26023/rocenka2015.pdf>

82 Research Institute For Labour And Social Affairs (2016) <http://praha.vupsv.cz/Fulltext/bullNo31.pdf>

even though the economic situation had changed. This has particularly impacted employees of pre-pension age.

1.3 Pensions

Overview of the situation as seen by the European Commission:

The pension system is also relatively successful in preventing old-age poverty: 10.7 % of Czechs aged 65+ are at risk of poverty or social exclusion, versus an EU average of 19.9 %. In 2014, the Czech Republic recorded the lowest level of people at risk of poverty or social exclusion in the whole EU (14.8 % versus 24.4 %, respectively). The number of people at risk of poverty or social exclusion has fallen by 34 000 since 2008, reaching 1 532 000 in 2014. The updated target on the reduction of the population at risk of poverty or social exclusion has been made more ambitious, with the ambition to reduce it by 100 000 by 2020⁸³.

What are the recent developments in your pension system (e.g. increase/decrease of the retirement age, increase/decrease in coverage/level of pensions)?
Where do you see gaps in the system?

The Czech Republic has a mandatory universal pension system (first pillar). The scheme is funded on a running basis (pay-as-you-go), the benefit claim is based on age and previous economic activity (length of insurance). The scheme has two components: a flat-rate basic pension and an earnings-related part. In 2014 a legislative amendment prolonged the minimum insurance length to acquire the right to public pension from 25 to 35 years (the limit will enter in force in 2019, in 2014 the length was 30), which will make it one of the longest in the EU⁸⁴. The amendment also prolonged the minimum insurance contribution for those who do not fulfil the criteria – they can receive their

83 Central European Labour Studies Institute (2016) www.celsi.sk/en/publications/research-reports/detail/20/the-rise-of-the-dual-labour-market-fighting-precarious-employment-in-the-new-member-states-through-industrial-relations-precarir-country-report-czechia

84 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_czech_en.pdf



pension five years after the pension age, if they have previously contributed to the insurance system for 20 years (previously 15 years). The current government has reached a consensus on prolonging the maximum pension age to 65 years (with a possible 5 year review); there is an ongoing debate about earlier retirement for certain groups of seniors. In 2016 an amendment of the Act on Pension Insurance introduced the possibility for the government to increase the indexation of pensions by up to 2.7 % in case of very low nominal statutory indexation.

In addition, there is voluntary complementary pension insurance with state contributions (third pillar), which is defined by contributions and is capital funded. The state matches employees' contributions depending on their level of contributions. In 2013 the right-wing government of Mr. Necas introduced a voluntary employer pension scheme (second pillar) with the claim it would enhance the sustainability of the system. The current social-democrat government revoked the scheme, which was closed in 2016.

Gaps in the system:

- There is no minimum income for those pensioners who do not fulfil the above-described conditions. Consequently these people can rely only on the minimum income scheme – i.e. they are subjected to monthly household means-testing (including property testing). Although this group is not large, it might change in time due to the changes on the labour market. In order to ensure respect and dignity in old-age, it would be recommendable to introduce a universal pension scheme guaranteeing a minimum income for pensioners, regardless of participation in the pension scheme⁸⁵.
- The Czech Republic has a low level of old-age poverty compared to the rest of the EU. Yet current data show the feminisation of old-age poverty. This is mostly due to the difference between men's and women's pensions (in 2014 a man's pension was 22% higher than a woman's), which is an

⁸⁵ See also *Research Institute For Labour And Social Affairs* (2015) http://praha.vupsv.cz/Fulltext/vz_402.pdf

outcome of the gender pay gap and time spent on care (particularly problematic is long-term care), and the longer life expectancy of women, who consequently find themselves more often in a one income household. In 2014 nine out of ten poor persons older than 65 were women⁸⁶.

- In the past years, we can observe a rapid increase in the over-indebtedness of pensioners – the number of property seizures on pensions had doubled since 2008 to nearly 80,000 in 2015 (over 1.8 billion CZK (€66.6 million) per year)⁸⁷. These data point to the need for targeted support for this group, particularly debt prevention and facilitation of debt relief.

1.4 Indebtedness of households

What are recent developments in the level of household indebtedness? Do you know about reasons for these developments? Are there policies in your country to target this problem? What are your recommendations to improve the situation?

According to the data from the Czech National Bank the overall individual debt burden amounted to nearly 1.3 trillion CZK in 2015 (approx. €48 billion), the number increased by 90 billion CZK (approx. €3.3 billion) in 2015. This is partly due to improvements in the economic situation, low interests rate and greater accessibility of housing credit. Nonetheless the problem of indebtedness, and particularly over-indebtedness, i.e. inability to pay existing debts, is becoming one of the core social problems in the Czech Republic. According to data from the Chamber of Bailiffs in 2015 one in ten Czech citizens is over-indebted or lives in a household

⁸⁶ *Research Institute For Labour And Social Affairs* (2015) http://praha.vupsv.cz/Fulltext/vz_389.pdf See also *Alternativa 50 plus* (2015) <http://alternativaplus.cz/konec-skryte-chudoby/>
⁸⁷ *Czech Social Security Administration* (2/2016) <http://www.cssz.cz/cz/o-cssz/informace/media/tiskove-zpravy/tiskove-zpravy-2016/20160211-vzrostl-pocet-duchodu-s-exekucni-srazkou-rostou-i-exekuce-z-nemocenskych-davek.htm>



with someone over-indebted. Nearly 910,000 persons, i.e. over 8.5% of the population, are facing property seizure. Further, these multiply in time due to the inability to pay loans from different creditors – the average number of property seizures doubled between 2013 and 2015 from three to six per debtor, 95% of new property seizures are targeted at already indebted people. In 2015, 730,000 people (nearly 7% of population) had more than one and 380,000 had more than four property seizures at the same time⁸⁸. Accessible data show that the problems of over-indebtedness are more concentrated in post-industrial regions with a higher unemployment rate⁸⁹, and between the poorest groups of the population⁹⁰, with pensions also being particularly vulnerable.⁹¹

Particularly unprotected are children who can become, at the age of 18, responsible for the contracts concluded in their name by their parents (such as phones contracts or child banking accounts) and unpaid fees for public transportation. (Till 2015 this applied to communal garbage collection as well). These also concern children in institutional care.

The size of the problem of household indebtedness in the Czech Republic is to a great extent the result of the debt enforcement reform around 2006, which raised by four times the fees for attorneys in the debt collecting process and turned the collecting of small debts into a lucrative business (Czech Republic has had a system of private debt collection since 2001). Further-

88 Chamber of Bailiffs as a private entity, is not obliged to publish official statistics, data are accessible only through media – such as *Hospodarske noviny* (2/2016) <http://archiv.ihned.cz/c1-65177260-cesi-se-topi-ve-velkych-dluzich> or *Denik Referendum* (12/2015) <http://denikreferendum.cz/clanek/21997-jsme-spolecnosti-ktera-dovoluje-privadet-chudaky-na-mizinu-zmenme-to>

89 *Hospodarske noviny* (11/2014) <http://byznys.ihned.cz/c1-63162390-splacet-dluhy-vcas-cesi-nesplaci-dluhy>

90 *Datová žurnalistika* (10/2014) <http://www.datovazurnalistika.cz/zadluzenost-se-presunula-k-nejchudsim/m>

91 *Czech Social Security Administration* (8/2015) <http://www.cssz.cz/cz/o-cssz/informace/media/tiskove-zpravy/tiskove-zpravy-2015/2015-08-28-pocet-exekuci-z-duchodu-stoupa-v-poletu-jich-bylo-temer-79-500.-rostopu-i-exekuce-z-nemo.htm>

more the economic crisis, as the banks limited access to credit, brought an expansion of the already unregulated small non-banking institution, offering easily accessible loans with extremely high, partly hidden, interest rates (including online and over-the-phone short-terms loans).

Consequently, over 50% of current property seizures arise from debts smaller than 10,000 CZK (approx. €370), 30% from debts smaller than 2,000 CZK (approx. €75).⁹² The final amount of these exceed multiple times the amounts of original loans – the most infamous examples being the debts for unpaid fines to the Prague Public Transit Company which rose from an original 1,000 CZK fee (approx. €37) to 20,000 CZK (approx. €740)⁹³. The final amount of individual debt further increases by the multiplicity of the debts as different creditors use the services of different debt collectors.

In 2008 the Insolvency Act came into force, which offers the possibility of individual debt relief. Nonetheless the debt relief is conditional upon the ability of the debtor to prove that he/she is able to pay 30% of the final amount of debt in the following five years. Further, there are the additional monthly fees of the insolvency administrator of 1,000 CZK (approx. €37), which further increase the costs of debt relief. The low-income households (see below the level of minimum wage) or people in a marginalised position on the labour market working in precarious jobs thus in many cases do not fulfil the requirements and their debts continue to rise over time. They are also the most vulnerable to the negative consequences of indebtedness, multiplying the process of social exclusion, particularly exclusion from the formal labour market.

92 *Aktualne.cz* (1/2016) <http://zpravy.aktualne.cz/finance/exekuci-vyrazne-ubylo-vymahatelnost-dluhu-je-ohrozena-varuje/r~e658a676be8f11e59c4a002590604f2e/>

93 *Aktualne.cz* (6/2012) <http://zpravy.aktualne.cz/finance/jizda-nacerno-uz-vas-nezruinuje-soudy-zmenily-praxi/r~i:article:749551/>



Further, the opening of the possibility of individual debt relief (in 2008) also brought in new problematic businesses offering highly problematic, costly and often ineffective debt merging services and insolvency applications.

There are some policies targeting this problem. The regulation of loans and debt collection has become one of the priorities of the current Minister of Justice. In 2014 limits were placed on the fees to attorneys for debt collecting, which subsequently rapidly decreased the cost of the new debts.

Nonetheless the major question remains the problem of existing debts. Policies particularly need to target the problem of opening individual debt relief to wider groups of debtors. There is a debate – led by the Minister of Justice and Minister of Human Rights – on the amendment of the Insolvency Act aimed at greater accessibility and flexibility of the debt relief. Further proposals, facing fierce opposition of the Chamber of Bailiffs, aim inter alia at regulation of the number and remunerations of debt collectors (territoriality, debt merging, mandatory deposits) and limitations on further rises in the cost unpaid debts (esp. judicial fees).

Further, a new amendment to the legislation on credit agreements, based on Mortgage Credit Directive 2014/17/EU, is currently being discussed in Parliament. If approved, the law would not only provide greater protection for debtors, but also regulate non-banking institutions through licensing.

Possibilities for improvement:

- The above-mentioned legislative processes are crucial conditions for addressing the problem of over-indebtedness. Nonetheless the extent and complexity of the problem requires the involvement of a wider range of actors. Given the high level of indebtedness among the low-income populations, it will be particularly helpful to link existing state-provided labour market counselling and administration of social benefits with the debt

counselling services, currently mostly provided in a very fragmented manner, usually by non-governmental organisations. Particular attention ought to be given also to the housing situation and new forms of dependency of persons living with heavy debt.

- The lack of attention given to the problem of indebtedness is also reflected in the lack of research and analytical materials, which would allow better understanding of the wider socio-economic context of the issues.

2. PROVISIONS FOR DECENT WORK IN YOUR COUNTRY TO GUARANTEE THAT PEOPLE CAN EARN A LIVING AND AVOID IN-WORK POVERTY

2.1 Minimum wage

Overview of the situation as seen by the European

Commission:

Tight labour market conditions are expected to give rise to higher wage growth in the coming years. The current system of labour taxation may create disincentives to work for low wage earners⁹⁴.

Is there a minimum wage scheme in your country? If yes, is the level of minimum wage adequate in your opinion? Where do you see gaps and possibilities for improvement?

Yes. The minimum wage (MW) had stagnated between 2007 and 2014 (with the exception of a 500 CZK rise in 2012). A rise in the minimum wage became one of the political priorities of the Social Democratic Party after the 2014 elections. Simultaneously in 2015, the trade unions started a campaign targeted at wage levels (End of cheap work). In the past two years, the MW gradually rose to the current level of 9,900 CZK (approx. €370, to be further increased in 2017). Nonetheless, as wages have also been rising in the past two years (in

⁹⁴ http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_czech_en.pdf



2015 the nominal value rose by nearly 3.5%⁹⁵) the ratio between minimum and average wage remains one of the lowest in Europe - in 2015 the ratio stood at 33 %⁹⁶.

Further there is a separate minimum wage scheme for people with disabilities, which is currently about 6% lower than the standard minimum wage. Consequently if two people do the same work, one can receive lower pay just because he or she has a disability and receives a disability pension.

The level of minimum wage is not adequate. There are two aspects to this issue – one of them is that the current rise in the minimum wage is not sufficient to significantly lower the gap between the minimum and average wage. Further, the low absolute value of the minimum wage does not allow a person to work his or her way out of poverty. The working hours required to escape poverty on a minimum wage are unrealistic for lone parents in particular.⁹⁷

The negative outcome of low wages disproportionately affects women, who are more likely to work in low wages positions⁹⁸. Gender pay gap stood at 22 % at 2015⁹⁹, which is an outcome of both horizontal and vertical labour market segregation.

There are a number of gaps and possibilities for improvement of the minimum wage:

- Due to the low level of the minimum wage in Czechia, the difference between labour market income and minimum income schemes is for certain groups (esp. low-skilled families with children) negligible.¹⁰⁰ This may not only create disincentives

95 Czech Statistical Office (2016) http://www.apic-ak.cz/data_ak/16/a/StatAmy1604.pdf

96 Czech Statistical Office (2016) http://www.apic-ak.cz/data_ak/16/a/StatAmy1604.pdf

97 OECD (2015) <http://www.oecd.org/social/Focus-on-Minimum-Wages-after-the-crisis-2015.pdf>

98 Czech Statistical Office (2016) <https://www.czso.cz/csu/czso/structure-of-earnings-survey-2015>

99 Czech Statistical Office (2016) <https://www.czso.cz/csu/czso/structure-of-earnings-survey-2015>

100 Agency for Social Inclusion (2014) <http://www.socialni-zaclenovani.cz/dokumenty/dokumenty-k-oblasti-zaměstnanost/kdy-se-prace-vyplatí-vytáh-ze-studie-mkc-2014/download>

to work for low wage earners, but also contributes to a negative perception of the “undeservedness” of welfare recipients. An increase in the minimum wage and more generally wages for low-paid positions is crucial to address these issues. The limited poverty protection offered by the minimum income scheme (see above) implies that any decrease in MIS would only contribute to the social exclusion of the poorest segment of the population.

- According to the Public Defender Of Rights, the minimum wage scheme for people with disabilities represents a violation of the Labour Code and Anti-Discrimination Act. Consequently, she has currently filed an application with the Constitutional Court for the annulment of the minimum wage scheme for people with disabilities¹⁰¹.
- According to some experts the rise in the minimum wage might have only a limited impact on the most vulnerable groups on the labour market, as they are often working on semi-formal contracts outside an employment relationship. This is not due to the level of taxation of low-wage earners¹⁰² or their preference for these types of employment (unless they are over-indebted). It might partly reflect the level of the employer’s taxation and social contributions on low-wage positions in the employment relationship, which is one of the highest in Europe¹⁰³, but it also reflects a more general shift on the labour market towards more flexible forms of employment with a lower level of social protection¹⁰⁴.

101 Public Defender of Rights (2016) <http://www.ochrance.cz/en/news/press-releases-2016/application-for-annulment-of-government-regulation-on-minimum-wage/>

102 Employee contributions are low for low-income earners thanks to individual and child credit.

103 OECD (2015) <http://www.oecd.org/social/Focus-on-Minimum-Wages-after-the-crisis-2015.pdf>

104 Central European Labour Studies Institute (2016) <http://www.celsi.sk/en/publications/research-reports/detail/20/the-rise-of-the-dual-labour-market-fighting-precarious-employment-in-the-new-member-states-through-industrial-relations-precarir-country-report-czechia/>



2.2 Reconciliation of work and private life

Overview of the situation as seen by the European Commission:

The low labour market participation of mothers with young children is, to a considerable extent, due to a persistent lack of quality childcare facilities (in particular for children up to 3 years old) and low use of flexible working arrangements. While anecdotal evidence points to cultural factors encouraging mothers to stay at home with their young children, the availability of affordable childcare for children younger than three years old is extremely limited and constitutes a barrier to women's participation in the labour market.

Even though labour market legislation provides for flexibility in contractual arrangements, flexibility in working hours is one of the lowest in the EU. Only 16 % of Czech workers feel able during working hours to take an hour or two off in order to take care of personal or family matters. Breaks in employment due to childbearing penalise women financially in the long term and contribute to higher gender inequalities¹⁰⁵.

What are recent developments in provisions for maternity and paternity leave in your country (e.g. increase/decrease in coverage/level and duration of benefits, improvements for paternity leave arrangements)?
Where do you see gaps in the system of maternity/paternity benefits? Do you see gaps that make the reconciliation of work and private life more difficult in your country? What are your recommendations to improve the situation?

Maternity/paternity leave in the Czech Republic is one of the longest in the EU. There are two, mutually complementary, maternity/paternity leave scheme in the Czech Republic. The first one (*peněžitá pomoc v mateřství – financial aid in motherhood*) is insurance-based and *de facto*¹⁰⁶ accessible only to those previously in a standard employment relationship (in 2014 less than 2.5% of benefits were paid to the self-employed¹⁰⁷). It covers the first six months, and the

105 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_czech_en.pdf

106 The legislation allows voluntary self-insurance but the coverage between self-employed and those working outside the standard employment relationship is low.

107 <http://www.cssz.cz/cz/o-cssz/informace/media/tiskove-zpravy/tiskove-zpravy-2014/2014-08-29-podnikatelky-pri-pobirani-penezite-pomoci-v-materstvi-nemusi-preru->

replacement rate is at 70% of the previous wage¹⁰⁸. Six weeks after the birth women are allowed to work, but only with a different employer¹⁰⁹. After the six weeks the father can claim maternity benefit to replace the mother, though this is hardly used (in 2014 the rate of benefits paid to men was less than 0.5%¹¹⁰).

The other scheme (*rodičovský příspěvek – parent benefit*) is universal, covered from taxes and offers a fixed amount of money (220 000 CZK per child or 8140.88 EUR). The amount can be spread over a period of two to four years under the condition that one of the parents was previously employed. Nonetheless the maximum amount per month is fixed at 11,500 CZK (€425.55), i.e. approx. 50% of the mean wage in 2015. If not, the amount is fixed (7,600 CZK (€281.23) per month for the first nine months, 3,800 CZK (€140.62) afterwards) - meaning that mothers of small kids are dependent on additional sources of income and/or welfare support. The benefit can be combined with work, but in the first two years the parents cannot use the services of state funded childcare for more than 46 hours per month. In 2014 1.8% of these benefits were paid to men¹¹¹.

The majority of women opt for three years maternity leave, presumably due to the three year guarantee provided by the Labour Act¹¹² that they can return to the same position. Only a minority of women (approx. 20% in 2014¹¹³) with a child aged two or younger does

[sovát-podnikani-zivnost.htm](#)

108 With further differentiated daily ceiling for low and high income individuals.

109 This is due to the fact that the benefit is constructed as sickness-insurance, i.e. you cannot simultaneously apply for sickness insurance and be employed with at the same employer

110 <http://www.cssz.cz/cz/o-cssz/informace/media/tiskove-zpravy/tiskove-zpravy-2014/2014-03-20-cssz-informuje-komu-a-za-jakych-podminek-nalezi-penezita-pomoc-v-materstvi.htm>

111 *Ministry of Labour and Social Affairs* (2015) http://www.mpsv.cz/files/clanky/22668/rocnka_prace_2014.pdf

112 *Gender Studies* (2015) http://genderstudies.cz/download/IDEA_Studie_8_2015_Od_materstvi_k_nezamestnanosti.pdf

113 *Gender Studies* (2015) http://genderstudies.cz/download/IDEA_Studie_8_2015_Od_materstvi_k_nezamestnanosti.pdf



work. The participation rate increases after the child reaches three years of age to 79% for women with higher education and 53% for those with lower education (90% / 79% respectively after the fourth year)¹¹⁴.

The increase in employment rate after the child reaches three years of age is closely linked to a higher, though regionally differentiated¹¹⁵, accessibility of childcare. Nonetheless the unemployment level of mothers in families with kids aged three to six years is nearly four times higher than that of fathers¹¹⁶ and remains one of the highest in the EU¹¹⁷. The take-up of part-time jobs is low, with only 9.4 % of all employed women working part-time in 2014 (compared with an EU average of 31.7 %) ¹¹⁸, however some current studies point to the precarious character of employment (contract outside an employment relationship) accessible to women with young children which does not turn into stable employment over time¹¹⁹. The long-term breaks in employment (and career development) consequently penalise women financially and contribute to higher gender inequalities¹²⁰.

The limited access to the labour market for women with children has a particularly negative impact on the higher level of poverty and material deprivation in households with one adult (in 90% women) and children. Further, the limited labour market income of families with small kids excludes those with lower income from the tax credits aimed at supporting families, as they do not reach the minimum level of income to apply for the tax credit¹²¹.

114 *Gender Studies* (2015) http://genderstudies.cz/download/IDEA_Studie_8_2015_Od_materstvi_k_nezamestnanosti.pdf

115 Accessibility of childcare had become one of the core issues in the municipal policies in the past years.

116 According to data from 2013. *Czech Statistical Office* (2015) <http://www.statistikaamy.cz/wp-content/uploads/2015/01/18041501.pdf>

117 *Czech Statistical Office* (2016) <https://www.czso.cz/csu/czso/4-prace-a-mzdy>

118 *European Commission* (2016) http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_czech_en.pdf

119 *Gender Studies* (2015) http://genderstudies.cz/download/Sekundarni%20analyza%20zprava%20final_format.pdf

120 *European Commission* (2016)

121 *Gender Studies* (2015) http://genderstudies.cz/download/Sekundarni%20analyza%20zprava%20final_format.pdf

There are some gaps and possibilities of improvement in the reconciliation of work and private life:

- While there are cultural factors encouraging mothers to stay at home with their children, two mutually reinforcing factors create barriers to women's participation in the labour market – the limited availability of affordable childcare, particularly for children younger than three years that do not have access to state kindergartens, and the limited availability of flexible and particularly part-time employment with adequate wages. Consequently, the nexus between the income from part time employment and the cost of private childcare makes employment of mothers of young children or the majority of lower- and middle-income families economically unsustainable. Addressing this issue is also crucial for the higher involvement of men in childcare, given the gender pay gap.
- The problem of low-accessibility of childcare had been addressed in the past four years by targeted support for new forms of childcare (child groups¹²², micro-nurseries, etc). However these new forms of childcare, particularly for children under three years mostly remain financially inaccessible for lower-income groups. The current amendment of the Education Act has introduced the right to public childcare for four-year-old children from September 2017, for three-year-olds from 2018 and for two-year-old children from 2020 (from 2017 two-year-olds may be accepted in public childcare). The issue should be addressed in a more systematic manner in the current draft of the Concept of family policies.
- It is important to address the gender aspect of the issues of the low-wages/precarious forms of employment, which is to great extent omitted in the current debates about the minimum wage.

3. NON-DISCRIMINATORY UNIVERSAL ACCESS TO QUALITY AND AFFORDABLE CARE, SOCIAL, HEALTH, EDUCATION AND LIFELONG LEARNING AND BASIC

load/Sekundarni%20analyza%20zprava%20final_format.pdf

122 Under the Act on Child Groups, 61 groups had been registered by November 2015



FINANCIAL SERVICES (I.E. ACCESS TO A BANK ACCOUNT)

Overview of the situation as seen by the European

Commission:

The early school leaving rate remains among the lowest in the EU (5.5 % in 2014) but regional disparities are significant and the rate has increased since 2010 (from 4.9 %). Of particular concern is the estimated 72 % of Roma children who leave school early, which significantly impacts their future labour market performance. Children with disabilities are also more at risk of leaving school early. There is a gap of 11.6 percentage points between the early school leaving rate of children with and without disabilities (EU-SILC 2013).

Challenges identified by the European Commission:

Some progress has been made in further improving the availability of affordable childcare. Under the Act on Child Groups, 61 groups had been registered by November 2015. The Education Act was amended in September 2015 introducing an obligatory year of pre-school education. The right to a place in kindergarten will be given to 4-year-old children from the 2017/2018 school year and later to 3-year-old children.

Some progress has been made in improving the cost-effectiveness and governance of the healthcare sector. Several measures are currently at various stages of implementation. These include projects aimed at improving the efficiency of the reimbursement system in hospitals and the transformation of selected public hospitals into non-profit entities¹²³.

What are recent developments in the access to services in your country? Where do you see gaps (e.g. groups of people excluded from access to services, certain services not available in some regions etc.)? What are your recommendations to improve the situation?

The Czech Republic was last EU state to adopt an Antidiscrimination Law¹²⁴. Since its adoption in 2009, no relevant amendments have been adopted, only a fraction of discrimination victims turn to the equality body (Public Defender of Rights)¹²⁵. This is partly due to the gaps in public perception and awareness and

123 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_czech_en.pdf

124 Act on Equal Treatment and Legal Means of Protection against Discrimination, No. 198/2009 Coll

125 Public Defender of Rights (2016) http://www.ochrance.cz/fileadmin/user_upload/DISKRIMINACE/Vyrocní_zprava/2015-DIS-annual-report.pdf

limits in the implementation tools (especially access to legal aid, the role of controlling institutions, *actio popularis*, etc.).

There have been several important changes to the Education Act. First, an amendment of the Act from September 2015 introduced an obligatory year of pre-school education (which will come in force in September 2017). In September 2016 a new ordinance came into force that introduces a new category of children with special needs (focusing on the particular needs instead of the highly problematic system of categorisation of children) and guarantees the right to financial support for the inclusion of these children. Existing studies¹²⁶ point out that this might not bring larger numbers of children with particular needs into mainstream education, but it will create a more stable financial support for inclusive approaches.

- Citizens of the Roma ethnic background are most often subjected to discriminatory treatment, which is in many cases either replicated or disregarded by public policies. One of the core areas is labour market discrimination (74% of Roma have experienced discrimination while searching job¹²⁷), which often leads to exclusion from formal employment¹²⁸ with a consequent impact in other areas, such as access to social protection. The issue is scarcely addressed even though the anecdotal evidence shows that for example the Labour Offices (employment counselling department) might have daily experiences with these practices.

126 Česká odborná společnost pro inkluzivní vzdělávání (8/2016) <http://www.cosiv.cz/tisice-postizenych-deti-prejde-od-zari-ze-specialnich-do-beznych-skol-ne-nastane-jen-lepsi-podpora-skol-ktere-vzdelavaji-deti-s-handicapem/>

127 European Union Agency for Fundamental Rights (2014). http://fra.europa.eu/sites/default/files/fra_uploads/fra-2014-roma-survey-dif-employment-1_en.pdf,

128 European Union Agency for Fundamental Rights (2014). http://fra.europa.eu/sites/default/files/fra_uploads/fra-2014-roma-survey-dif-employment-1_en.pdf, Center for Economic Research and Graduate Education (2013) <http://www.cerge-ei.cz/pdf/wp/Wp499.pdf>.



- Discrimination in the housing market strongly contributes to the process of ethnic spatial segregation, which has significantly increased in the past years (the number of so-called socially excluded, mostly Roma, localities had doubled between 2006 and 2014)¹²⁹. The spatial concentration of Roma is both an outcome of the limited choices of Roma households on the private market¹³⁰ and targeted policies of municipalities and/or housing companies¹³¹. Public housing often does not offer an alternative, as municipalities frequently impose conditions that exclude low-income families¹³². These practices also contribute to sub-standard housing (which affects 30% of Roma households compared to 5% of non-Roma)¹³³. Current proposals for social housing legislation partly address these problems, but considerable opposition from different interest groups might significantly diminish its impact.
- Roma children constitute nearly a third of children educated on a revised curriculum for pupils with mild mental disabilities, i.e. outside the mainstream education¹³⁴. Empirical evidence also points to a continuous practice of segregation in municipalities with a larger proportion of Roma citizens both between and within the schools¹³⁵.

Of particular concern is also the estimated 72 % of Roma children who leave school early¹³⁶. All these issues might significantly impact their future labour market performance, particularly increasing the probability of unemployment¹³⁷. Whereas the recent changes (obligatory pre-school education and financial support for inclusive measures) should have a positive impact on these issues, they do not address the crucial issues of segregation. Further monitoring and targeted support might be the first step to address the problem, as well as acknowledging and addressing the fact that ethnic prejudice is at its heart¹³⁸.

- There had been several striking cases of mistreatment of elderly people in facilities for seniors in the Czech Republic¹³⁹. The Public Defender of Rights claims in her current report that the system of care for people in facilities for long-term patients and social facilities for ill people, such as those with Alzheimer's disease, often fails to cater for the clients' needs and ensure dignity and respect¹⁴⁰. Further, there is a problem of accessibility of the care - data from 2013 show three quarters of regional facilities for pensioners do not admit persons treated for a mental disease (including dementia)¹⁴¹.

129 GAC (2014) http://www.gac.cz/userfiles/File/nase_prace_vystupy/Analyza_socialne_vyloucenych_lokalit_GAC.pdf

130 Center for Economic Research and Graduate Education (2013) <http://www.cerge-ei.cz/pdf/wp/Wp499.pdf>

131 See for ex. Romea.cz (4/2015) <http://www.romea.cz/en/news/czech/discrimination-proceedings-launched-against-czech-property-management-company-over-roma-segregation>

132 High deposits, prove of income, exclusion of indebted families or families with larger number of kids, etc.)

133 European Union Agency for Fundamental Rights (2014). http://fra.europa.eu/sites/default/files/fra_uploads/fra-2014-roma-survey-dif-employment-1_en.pdf

134 Public Defender of Rights (2013) http://www.ochrance.cz/fileadmin/user_upload/DISKRIMINACE/Vyzkum/Vyzkum_skoly-zprava.pdf

135 For example in 2015 two municipalities in Northern Bohemia segregated children in the 1st year according to their ethnicity - Romea.cz (9/2015) <http://www.romea.cz/en/news/czech/another-czech-school-segregating-romani-children-this-year-3>

For data on segregation see also European Union Agency for

Fundamental Rights (2014). http://fra.europa.eu/sites/default/files/fra_uploads/fra-2014-roma-survey-dif-education-1_en.pdf

136 European Union Agency for Fundamental Rights (2014). http://fra.europa.eu/sites/default/files/fra_uploads/fra-2014-roma-survey-dif-education-1_en.pdf

137 Česká odborná společnost pro inkluzivní vzdělávání (2015) https://www.dropbox.com/s/mh8evdxxszf9vmc2/Analyza_COSIV_CR_spolecne_vzdelavani.pdf?dl=0

138 For further details see also Amnesty international (2015) http://www.amnestyusa.org/sites/default/files/musttryharder_embargoed_report.pdf

139 See for ex. Lidové noviny (2/2015) http://www.lidovky.cz/v-prerovskem-lazaretu-ziji-desitky-lidi-v-otresnych-podminkach-pwo-/zpravy-domov.aspx?c=A150202_132842_In-domov_mmu

140 Public Defender of Rights (2016) <http://www.ochrance.cz/aktualne/tiskove-zpravy-2015/ochrankyne-vydala-souhrnou-zpravu-ze-zarizeni-pro-seniory/>

141 Public Defender of Rights (2013) <http://www.ochrance.cz/aktualne/tiskove-zpravy-2013/ochrankyne-vydala-souhrnou-zpravu-ze-zarizeni-pro-seniory/>



- There are also significant gaps in the institutional care of children. In 2016 attention had been brought to this issue by a case of mistreatment of children in one of these establishments¹⁴² pointing to insufficient protection of children's rights in the system of care for vulnerable children. These reflect wider problems, such as the high number of children placed into institutional care, particularly of nursery age, fragmentation of care between relevant state institutions and the absence of a public defender of child rights¹⁴³.
- Some groups of migrants are excluded from access to certain services – third country nationals with temporary residence permits (and their families) who do not have employment contracts cannot participate in the public health insurance scheme and thus have to rely on private insurance groups.

This is not only exceptionally costly but also it creates a group of migrants who are not able to insure themselves (particularly elderly and pregnant women). There is an ongoing campaign for the inclusion of this group in public health insurance.

Further, temporary residence holders from 3rd countries with employment contracts have a duty to contribute to social insurance, but do not have the right to unemployment benefits even if they fulfil the criteria.

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cz/fileadmin/user_upload/ochrana_osob/ZARIZENI/Socialni_sluzby/DIS25-2013_vyzkum_zarizeni_pro_seniory.pdf
142 Czech television (6/2016) <http://www.ceskatelevize.cz/ct24/domaci/1797620-ve-vychovnem-ustavu-v-chrastave-se-porovalo-prava-deti>

143 *Public Defender of Rights* (2016) <http://www.ochrance.cz/aktualne/tiskove-zpravy-2016/zivoty-deti-v-ustavni-peci-se-zlepsuji-jen-pomalu/>

FRANCE

INTEGRATION OF THIRD-COUNTRY NATIONALS

1. TOOLS/PROGRAMMES IMPLEMENTED FOR THE INTEGRATION OF THIRD-COUNTRY NATIONALS

Overview of the situation as seen by the European Commission:

Little has changed in FR's integration policies from the previous conservative government to the current socialist government, rising +1 on the 100-point MIPEX scale. Before the elections, the previous government politicised FR's traditional path to FR citizenship, following the so-called Loi Besson/Guéant (2011-334). This was the last of the 5 immigration reforms in 9 years¹⁴⁴.

Challenges identified by the European Commission: *FR restricts and delays labour market integration more than most countries, with an estimated 5.3 million jobs 'closed' to non-EU immigrants and few accessing education or training in FR. FR also severely restricts and delays family reunion, with non-EU citizens less likely to reunite with their family in FR than in most European countries. These delays put newcomers on an unequal footing in FR, with potentially negative long-term effects on many integration outcomes. Non-EU residents are also often insecure in their status. Permanent residence is increasingly the exception rather than the rule for immigrants, even after 5 years settled in FR¹⁴⁵.*

1.1 Are there specific integration policies implemented in your countries by the national, regional and local level? Which categories of third country nationals are they addressing (e.g. refugees, beneficiaries of family reunification, economic migrants, unaccompanied migrant minors)?

In France integration policies are enshrined in law and highly organised. They cover the reception and integration of newcomers (about 100,000 per year)

144 <http://www.mipex.eu/france>

145 <http://www.mipex.eu/france>



through:

- the teaching of French language, values and customs;
- assistance to find employment;
- support for specific target groups (women, the elderly, refugees);
- follow-up on migrant worker shelters.

They are mostly implemented by the State, the French office for immigration and integration, national and local NGOs.

Weaknesses:

- Very slow administrative procedures.
- Limited access to vocational training.
- French language courses are not always adapted and accessible to all migrants. As a result migrants have limited access to the labour market and have difficulties in acquiring long-term residence.
- Restricted access to French nationality: arbitrary process; unclear criteria; lack of support during the procedure.
- Asylum seekers who are not granted refugee status have very few rights (e.g. no right to work, which affects many other rights).

1.2 How are EU funds for asylum, migration and integration (AMIF) allocated in your countries? Which categories of third country nationals are they addressing (e.g. refugees, beneficiaries of family reunification, economic migrants, unaccompanied migrant minors)?

The “délégation générale des étrangers» (foreigners’ service) that is part of the Ministry of the Interior allocates the European funds. It launches calls for projects for both AMIF and ISF funds and as a centralised “Office for the mutualised management of European funds” manages the coordination of calls for projects. All categories of European tools are treated according to the table below:

1.3 Are NGO’s involved by national and local authorities in the development and implementation of integration programmes? In particular, are NGOs consulted on the allocation of EU Funds for integration programmes (e.g. AMIF)?

NGOs have not been consulted and are not a part of the organisations managing the EU Funds.

2. DISCRIMINATION AND INTERCULTURAL COEXISTENCE

Overview of the situation as seen by the European Commission:

In FR as in most European countries, a small but important share of the population state in surveys that they recently experienced ethnic/racial (4.1%) and/or religious discrimination (2.5%). This level of perceived discrimination is similar in countries such as AT, DE, IT, NL and in Central Europe. The specific levels of discrimination reported as experienced by immigrants and ethnic minorities are much higher in FR as in other European countries¹⁴⁶.

Challenges identified by the European Commission:

FR’s laws on policies to promote equality remain the country’s greatest strength for integration policy, ranking 11th alongside other Western European countries. This approach slightly improved in 2013 (+1 point on MIPEX) with the government’s 2013/4 commitments on promoting equality. FR’s rather strong anti-discrimination law and body (Defenseur des Droits) are helping the general public to learn about their rights and potential victims to seek justice¹⁴⁷.

2.1 Are there movements/campaigns/initiatives in your country in favour or against the integration of third country nationals? What is your evaluation of them?

The integration of refugees and migrants in general is the subject of political manipulation. Parties such as the Front National make it one of the main elements of their campaigns, of course. In certain cities run by the extreme right there are municipal notices aimed to scare residents about the arrival of new people. The fear of the foreigner, especially of Muslims, is used by the far-right party. The «classical» parties are surfing this wave, sometimes with a discourse which closely resembles that of the extreme right. It is a strategy to try to win citizens’ voices in the next presidential and legislative elections in March and May/June 2017. Few political parties make clear the need to welcome residents from third countries to Europe. On the other

146 <http://www.mipex.eu/france>

147 <http://www.mipex.eu/france>



Sections	Minimum amount	% mini/maxi co-financing AMIF (outside specific actions)
Asylum	Project of one year or less duration: 100 000 € of total costs eligible and 50 000 € of subsidies EU. Project between 1 to 2 years: 200 000 € of total costs eligible and 100 000 € of subsidies EU. Project between 2 and 3 years : 300 000 € of total costs eligible and 150 000 € of subsidies EU.	Maxi : 75%
Migration, legal migration-integration (beneficiaries of international protection)	Projects for up to 1 year: 70 000 € of total costs eligible and 35 000 € of subsidies EU. Project of 1 to 2 years: 110 000 € of total costs eligible and 55 000 € of subsidies EU. Project of 2 to 3 years: 150 000 € of total costs eligible and 75 000 € of subsidies EU.	Maxi : 75%
Migration, legal migration-integration (except for beneficiaries of international protection)	Projects for up to 1 year: 70 000 € of total costs eligible. Project of 1 to 2 years: 110 000 € of total costs eligible. Project of 2 to 3 years: 150 000 € of total costs eligible.	Mini : 50% Maxi : 75%
Return	Projects for up to 1 year: 70 000 € of total costs eligible. Project of 1 to 2 years: 110 000 € of total costs eligible. Project of 2 to 3 years: 150 000 € of total costs eligible.	Maxi : 75%

hand, French civil society mobilises to take practical steps: the reception of refugees by associations, the construction of schools in refugee camps (like Calais). At the political level, their influence is weak. Even human rights movements are barely heard or listened to.

A general sense of mistrust vis-à-vis foreigners and refugees is felt at the national level, although fortunately local initiatives show that the exclusion is not necessarily the choice of the majority.

2.2 What are your recommendations to fight discrimination and to promote intercultural coexistence in your country?

Associations working in the field need to be enabled to do more, by giving them the concrete means of interacting with the population. Intercultural coexistence cannot be promoted with short-term measures alone. We must act for the long term. Doing this requires human resources and material means, including financial means.

Joint work between formal and non-formal education systems is essential. Too often there are isolated and unorganised initiatives at the national level. Of course if there is no economic recovery, the reception of foreigners, especially refugees is difficult. Employment and decent work are still the only gateway to social inclusion for many people.



Training and cross-sector cooperation between all social actors in the broad sense are essential: social workers, police officers, teachers, families, facilitators, etc.

DEVELOPMENTS IN SOCIAL PROTECTION SYSTEMS

1. ADEQUATE INCOME SUPPORT IN YOUR COUNTRY AS A BASIS FOR SOCIAL PROTECTION OVER THE LIFESPAN OF A PERSON TO FIGHT POVERTY AND ENSURE ACTIVE INCLUSION

1.1 Minimum income

Overview of the situation as seen by the European Commission:

Income support (RSA) is intended to guarantee unemployed people, or workers who have a very low income, a minimum level of income, which is variable, according to the number of people in their household. Income support concerns people who are at least 25 years old, and those aged between 18 and 24 years old if they are single parents or if they can prove a certain length of time in work.

You need to be at least 25 years old, or be pregnant, or have one or more dependent children, or prove a minimum duration of professional activity; Live in France in a stable and regular way; be French or a national from the European economic area, or Swiss, and provide evidence of a right to stay, or be a national from another country and have stayed in France regularly for at least 5 years (except special cases); The average monthly income of your household over the 3 months prior to your application must not exceed a certain level; Have, as a priority, your rights established regarding all other social security allowances (unemployment benefit, pensions, etc.) to which you are entitled¹⁴⁸.

Challenges identified by the European Commission:

The amount of the minimum income for non-working people ('revenu de solidarité active socle') was raised by 2 % in real terms for the third time in September 2015. These measures complemented the other actions taken to reduce the tax burden on low incomes, through a tax credit in 2014 and the withdrawal of the bottom layer of income tax in 2015, further extended to benefit 12 million fiscal households in 2016¹⁴⁹.

148 <http://ec.europa.eu/social/main.jsp?catId=1110&langId=en&intPageId=2533>

149 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_france_en.pdf

Is there a minimum income scheme in your country? If yes, is the level of minimum income adequate in your opinion? Where do you see gaps and possibilities for improvement?

The "Revenu de solidarité active" (RSA) has replaced the "Revenu minimum d'insertion" (RMI) since 2009 in metropolitan France and 2011 in the overseas departments.

RSA aims to provide a minimum level of income for the unemployed or those with a very low income (RSA base), or to supplement the incomes of the "working poor" (RSA activity, merged with the employment bonus in 2016).

The principle of the RSA is based on a double entry:

- Minimum income paid by the Department, via the Family Allowance Fund;
- Social support through a single contact person (social worker, local insertion facilitator etc.), appointed by the County Council, as part of a partnership orientation process.

As part of this support, the beneficiary of the RSA signs a reciprocal employment agreement defining the stages of their support and the means implemented. Actions financed by the Department (with possible co-financing ESF), via the departmental integration programme (IDP) are proposed.

Due to budgetary constraints faced by local communities in particular departments, IDPs have faced restrictions for some years that have forced them to change their integration priorities, including emphasis on actions favouring the return to sustainable employment, at the expense of action addressing more fundamental issues and removing obstacles to employment (health, confidence, recovery, etc.).

Under these conditions, there is a real risk of ignoring specific difficulties, hence leaving behind the most vulnerable.

Moreover, there is an urgent need to improve access to rights, including the RSA. Indeed, many people who could benefit from this right do not make the request



for various reasons: distance to services, a sense of shame about their situation, poor knowledge of mechanisms, etc.

1.2 Unemployment benefit schemes

Overview of the situation as seen by the European Commission:

The adoption and implementation of the announced reform of the labour code remains key to facilitate the take-up of derogations from general legal provisions as well the planned reform of the unemployment benefit system to enhance its financial sustainability and to provide more incentives to reinsert unemployed workers back into the labour market. The deficit and the debt of the unemployment benefit system are planned to further increase¹⁵⁰.

Challenges identified by the European Commission:

The unemployment rate, at 10.5 % in 2015, is not expected to decline in the short term. The high unemployment rate is an indirect result of France's imbalances. With the recovery underway still being gradual and a dynamic growth rate of the labour force, the measures to reduce the costs of labour are likely to have only a limited impact on employment up to 2017. Moreover, the structure of the labour market appears more and more segmented and educational inequalities are widening. Limited progress has been instead achieved in reinforcing the budgetary strategy and specifying the expenditure cuts planned up to 2017, ensuring that minimum wage developments are consistent with the objectives of promoting employment and competitiveness, removing regulatory impediments to companies' growth, reducing the segmentation of the labour market, facilitating the take-up of derogations from general legal provisions and reforming the unemployment benefit system¹⁵¹.

What are the recent developments in your unemployment benefit schemes (e.g. decrease/increase in coverage, limitation/extension of the duration of unemployment benefits)? Where do you see gaps in the system?

Unemployment remains a major problem in France. The number of unemployed has declined slightly over recent years. Supporting job seekers and tackling the problem raises many challenges. The merger in 2009 of the ASSEDIC (unemployment compensation body) and ANPE (monitoring body and accompanying Jobseeker)

150 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_france_en.pdf

151 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_france_en.pdf

into a single body (Pôle Emploi) was intended to streamline the system by not segmenting things. This change has not proved efficient given the real lack of resources allocated to the monitoring, which does not provide real support, particularly for those living far away from urban centres. New projects have been launched to try to resolve this issue, in particular by offering an enhanced course. This solution is not without problems, because there is real difficulty in coordinating the integration programmes carried out by local authorities (including the Departmental Council), with the intervention of the employment centre. While real efforts are made in the territories to encourage this consistency, relatively few projects and decisions regularly brought by the National Directorate of Pôle Emploi remain productive and well coordinated, especially with the field teams.

On the guidelines relating to financing, there has been little change so far (duration, level, etc.). 2017 is an election year (presidential and legislative) which will probably mean there will be different approaches to coaching and compensation for job seekers (restriction of rights, etc.), linked to political considerations regarding unemployment and its compensation (some advocate support, others will establish a universal minimum income, or a convergence with the northern European model of flexicurity).

1.3 Pensions

Overview of the situation as seen by the European Commission:

Pension spending in France is among the highest in the world. Based on Eurostat COFOG data, public pension expenditure in France appears high both as a share of GDP, and as a share of total public expenditure.

The low effective legal retirement age and structural factors, such as the length of life expectancy, explain part of the differences with other European countries. The share of the population aged 65 or above in France is relatively low by European standards and lower than in Germany, but the public pension spending in France (14.7 % of GDP) is higher than in Germany (11.3 % of GDP). For generations born after 1955, the legal retirement age in France is 62, among the lowest in OECD countries, but the automatic full State pension rights (base and complementary) are achieved only at 67 years.

Regarding the complementary pension scheme, the



end October 2015 agreement between social partners should improve its financial situation, according to social partners' estimations, as a slight deficit would persist in 2030 only under the two most pessimistic COR scenarios. The favourable demographic trends in France and the efforts to reform the pension system contribute thus to its long term sustainability. Despite these reforms, the 2015 Ageing Report forecasts a decline in public pension spending only after 2025, thus the main issue related to pensions is the current and medium-term level of public pension spending¹⁵².

Challenges identified by the European Commission: The pension system may face increasing deficits in the coming years and previous pension reforms will not suffice to eliminate the system's deficit. In particular, the deficit arising from schemes for state officials and employees of state-controlled companies continue to weigh on the overall pension deficit. Moreover, the macroeconomic situation has a large impact on the sustainability of the pension system, in particular the situation of complementary pension schemes. Decisive action is needed to restore the financial health of the complementary pension system¹⁵³.

What are the recent developments in your pension system (e.g. increase/decrease of the retirement age, increase/decrease in coverage/level of pensions)? Where do you see gaps in the system?

Retirement remains a major issue in France and will no doubt be at the heart of the debate during the next presidential campaign with several competing models (maintaining the principle of retirement at 60 or gradual or rapid change).

The retirement issue triggers complex and often heated debate over attempts to achieve the right balance. The reform of the retirement age for those in arduous work appears too complex to implement.

1.4 Indebtedness of households

Overview of the situation as seen by the European Commission: There are two sides to having debt—on the one hand the ability to have and manage debt largely depends on the availability and access to it which households have. Thus, an expansion of credit ought to make it easier for household to manage their debt and cope with temporary reductions in income. On the other hand, any additional take-up of credit on the part of households itself adds to the debt which they need

152 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_france_en.pdf

153 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_france_en.pdf

to service. Households at the bottom of the income distribution tend to have the largest debt burden. Additional indicators therefore need to be used to best target the most financial risky households if policy intervention is to be put in place¹⁵⁴.

What are recent developments in the level of household indebtedness? Do you know about reasons for these developments? Are there policies in your country to target this problem? What are your recommendations to improve the situation?

The socio-economic crisis of 2009 significantly increased the precariousness of many households (increase in unemployment, the duration of unemployment, rising youth unemployment, increase in precarious work, involuntary part-time affecting mainly women and youth). The living conditions of fragile persons in a precarious situation (beneficiaries of social minima, etc.) make them vulnerable (no access to care, difficulty maintaining housing, mounting debt, etc.).

The authorities responsible for social issues (county councils, municipalities) and the state were also affected by strong budgetary constraints (declining contributions from the state to communities, etc.) that are currently impacting public policy relating to precariousness (social Fund for housing from the Departments, aid to young, etc.). There are real concerns about the budget guidelines for future years which are likely to shift the focus to financing required skills, at the expense of support for the most vulnerable through special measures (household budget management, housing support, etc.)

2. PROVISIONS FOR DECENT WORK IN YOUR COUNTRY TO GUARANTEE THAT PEOPLE CAN EARN A LIVING AND AVOID IN-WORK POVERTY

2.1 Minimum wage

Overview of the situation as seen by the European Commission: However, in a context of low inflation, real wages have only slightly decelerated. The recent deceleration of real wages remains nonetheless insufficient to fill the gap between real labour costs and falling productivity

154 "Indebtedness of households and the cost of debt by household type and income group"; 2015; European Commission. ►►

growth. Between 2008 and 2012, compensation per employee increased by about 2.5 % per year while GDP deflator inflation hovered around 1 %. These developments implied a growth of real compensation per employee of 1.5 % per year, while labour productivity slowed down markedly, with negative implications in terms of employment and profit share. Only from 2015, the dynamics of wages adjusted for inflation has been consistent with productivity growth. Unit labour costs have been on average less dynamic than in the rest of the euro area since 2012. However, the competitiveness losses accumulated in previous years remain. In 2014, France's total hourly labour costs are among the highest in the EU, after Belgium, Denmark, Sweden and Luxembourg. Labour costs are high mainly because of the high fiscal contribution, accounting for more than 30 % of total hourly labour costs, compared to an EU average of 24 %.

The recent deceleration of wages mirrors more moderate minimum wage developments. The deceleration in nominal wages is to some extent related to the limited increases in the minimum wage and in wages at the branch level. The significant effect on the basic hourly wage for blue collars (*salaire horaire de base des ouvriers* or *SHBO*) hints at the risk that an increase in the minimum wage is reinforced through feedbacks on subsequent minimum wages setting. The effect of inflation also differs across groups, with wages being more responsive to variations in the consumer price index for intermediate professions and clerks. In periods of low inflation, the minimum wage adjustment rule is a source of wage rigidity, since it is partly indexed to real wage developments. A first indexation is on the evolution of the consumer price index for low income households; a second adds half of the growth of real hourly base wage for blue collar workers and clerks (*SHBOE*).

Finally, discretionary hikes (*coups de pouce*) by the government are also possible. Because of this indexation mechanism, there are feedback loops between increases in average wages and changes in the minimum wages, which delay the necessary wage adjustment in response to a weak economic situation. The weak labour market conditions and the low inflation exacerbate the effects of the automatic increases of the minimum wage¹⁵⁵.

Challenges identified by the European Commission: Limited progress has been made in ensuring that minimum wage developments are consistent with the objectives of promoting employment and competitiveness. While no increase of the minimum wage was granted in 2014, its automatic annual indexation process was not modified. In 2015 the minimum wage increased by 0.6 percentage point more than inflation while unemployment continued rising¹⁵⁶.

155 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_france_en.pdf

156 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_france_en.pdf

2.2 Is there a minimum wage scheme in your country? If yes, is the level of minimum wage adequate in your opinion? Where do you see gaps and possibilities for improvement?

There is a minimum wage (SMIC) in France, as well as opportunities for social benefits (RSA, AAH¹⁵⁷). Owing to economic reality and the high cost of living in France (including housing) as well as the absence of a real revaluation policy, the situation of the working poor remain problematic, with significant debt. Some politicians are now proposing the implementation of a universal basic income to limit precariousness, especially among young people who are not always covered by public policies (e.g. No RSA for the under 25s).

2.3 Reconciliation of work and private life

Overview of the situation as seen by the European Commission:

According to figures from 2014, female employment (from 15 to 64 years) is high (60.9%) and meets the Lisbon target. This rate however, is lower than male employment by 7%. 30.8 % of working women work part-time, compared to only 7.8% of men. In 2013, the pay gap between men and women (15.1%) was lower than the European average of 16.3 %.

Involving fathers in undertaking responsibilities once the child is born constitutes a key aspect to avoid gaps between gender and career development. The Act for Real Equality between Women and Men of 4th August 2014 amends the "supplement for free choice of activity" (CLCA) to implement an equal share of the parental leave. This measure intends to support women returning to work and to evenly distribute parental responsibilities between the couple.

Women on maternity leave receive their full salary for 16 weeks (26 weeks if it is their third child). Fathers are entitled to 11 consecutive days of paternity leave with no loss of pay. Finally, public authorities and organisations for social protection have implemented a series of incentive measures to enhance the development of company childcare solutions (family tax credit, tax deductibility, allowances)¹⁵⁸.

Challenges identified by the European Commission: France has long had an extensive policy in favour of families. It provides a wide range of subsidised childcare services and a generous and varied allowances system, especially for large families. This is

157 Revenu de solidarité active; L'allocation aux adultes handicapés

158 http://europa.eu/epic/countries/france/index_en.htm



the principal behind the resources intended to help parents find a better balance between work and family life. This series of measures has worked well: France is amongst the European Union member states with the highest fertility and employment rates of women with children¹⁵⁹.

2.4 What are recent developments in provisions for maternity and paternity leave in your country (e.g. increase/decrease in coverage/level and duration of benefits, improvements for paternity leave arrangements)? Where do you see gaps in the system of maternity/paternity benefits? Do you see gaps that make the reconciliation of work and private life more difficult in your country? What are your recommendations to improve the situation?

While the policy of allowances and parental leave mark a breakthrough in France, the fact remains that the terms and the level of income allocated still oblige the parents to consider whether it is worth taking such leave or not. Given that there is still a significant gap between the earnings of men and women (at the expense of the latter), most of the time the leave is taken by women. This choice has a real impact on their career plans.

3. NON-DISCRIMINATORY UNIVERSAL ACCESS TO QUALITY AND AFFORDABLE CARE, SOCIAL, HEALTH, EDUCATION AND LIFELONG LEARNING AND BASIC FINANCIAL SERVICES (I.E. ACCESS TO A BANK ACCOUNT)

Overview of the situation as seen by the European Commission:

The link between education and the labour market is still weak and the access to apprenticeships is decreasing, especially for the low-qualified. The French population has generally good access to healthcare at a limited cost for patients¹⁶⁰.

Challenges identified by the European Commission: *The transition from school to work remains challenging and the least qualified young people are the most affected. Recourse to apprenticeship is decreasing among low qualified categories in a context of differentiated regional strategies and a limited capacity of the system to adapt to new economic needs. The offer of training for the unemployed, less qualified workers and SME employees remains insufficient, despite the ongoing vocational training reforms, including on governance,*

159 http://europa.eu/epic/countries/france/index_en.htm

160 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_france_en.pdf

incentives and counselling and the new targeted unemployed training plan. The unsatisfactory cooperation between the various actors involved in continuous vocational training prevents an efficient allocation of resources. The upcoming personal activity account may help to rebalance access¹⁶¹. France is aiming to increase efficiency by improving outpatient services and access to health care¹⁶².

What are recent developments in the access to services in your country? Where do you see gaps (e.g. groups of people excluded from access to services, certain services not available in some regions etc.)? What are your recommendations to improve the situation?

Access to rights (care, minimum income, etc.) is complex for the most vulnerable or most socially excluded. This lack of access can also be intensified by movement and mobility difficulties. Local and inter-municipal (EPCI) authorities, which are gradually taking more responsibility in the social field, work on this issue in many territories, in order to strengthen and/or create programmes to improve access to rights. These often innovative initiatives (bus services, one-stop shop, house services, etc.) are encouraged, while the Departmental or inter-communal authorities need to implement schemes to enhance the accessibility of services to the public.

Analysing needs and creating these initiatives must involve all concerned actors and inhabitants, and the service users, who are often forgotten in this work.

The 2014 urban renewal programme to avoid the deterioration of priority neighbourhoods and their habitants (often the vulnerable and most excluded) requires the involvement of many stakeholders. The primary objective is to build appropriate and sustainable solutions, fostering the inclusion of habitants and therefore the need to work consistently on the different areas (economic development and employment, living and finally social cohesion). This approach must take into account the need to ensure access to rights. We must however note that the task is complex and requires a coherent response, not merely an accumulation of measures and actions, or a duplication of effort. Consistency remains necessary.

161 http://ec.europa.eu/europe2020/pdf/csr2016/csr2016_france_en.pdf

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GERMANY

INTEGRATION OF THIRD-COUNTRY NATIONALS

1. TOOLS/PROGRAMMES IMPLEMENTED FOR THE INTEGRATION OF THIRD COUNTRY NATIONALS

Overview of the situation as seen by the European Commission:

A new program launched by the German government aims to support young refugees who enter the country unaccompanied by adult relatives. The aim is to give them a new home in Germany. In future, the German government wants to offer young refugees an opportunity to live in Germany¹⁶³. Germany makes slow but steady progress on providing both equal rights and greater support, takes time to build consensus, generally pilots and then evaluates whether new policies are effective at boosting outcomes. DE is one of few countries with a language test abroad, restrictions on dual nationality, limited healthcare entitlements for asylum-seekers and undocumented migrants, and a weak equality body and equality policy. These policies may be disproportionate and ineffective from an integration perspective, with many unintended consequences and negative long-term effects¹⁶⁴. The EU main funding instruments to support legal migration and integration of third country nationals are AMIF, ESF, FEAD.

In particular, The Asylum, Migration and Integration Fund (AMIF) was set up for the period 2014-20, with a total of EUR 3.137 billion for the seven years. It will promote the efficient management of migration flows and the implementation, strengthening and development of a common Union approach to asylum and immigration¹⁶⁵.

The ESF is Europe's main instrument for supporting jobs, helping people get better jobs and ensuring fairer job opportunities for all EU citizens. It works by investing in Europe's human capital – its workers, its young people and all those seeking a job. ESF financing of EUR 10 billion a year is improving job prospects for millions of Europeans, in particular

163 <https://ec.europa.eu/migrant-integration/news/germany-welcome-to-germany-program-for-young-refugees-launched-by-the-german-government?pdf=1>

164 <http://www.mipex.eu/germany>

165 http://ec.europa.eu/dgs/home-affairs/financing/fundings/migration-asylum-borders/asylum-migration-integration-fund/index_en.htm



those who find it difficult to get work. The European Union is committed to creating more and better jobs and a socially inclusive society. These goals are at the core of the Europe 2020 strategy for generating smart, sustainable and inclusive growth in the EU. The current economic crisis is making this an even more demanding challenge. The ESF is playing an important role in meeting Europe's goals, and in mitigating the consequences of the economic crisis – especially the rise in unemployment and poverty levels.

Challenges identified by the European Commission: *Anti-discrimination policies and commitment against racism must be considered as integration policy and must be funded accordingly. Structurally weak municipalities, that bear high expenses for integration, must be provided with more financial and human resources¹⁶⁶.*

1.1 Are there specific integration policies implemented in your countries by the national, regional and local level? Which categories of third country nationals are they addressing (e.g. refugees, beneficiaries of family reunification, economic migrants, unaccompanied migrant minors)?

On the German federal level, there have been several legislative initiatives regarding the ongoing immigration of refugees. However, no overall concept for migration policy has been set out to define the mid- and long-term goals for different forms of migration (EU freedom of movement, recruitment of qualified labour, educational migration, temporary migration, and asylum) and thus enable a holistic and integrated migration policy. Since 2015, parties and politicians have been debating the necessity and possible content of a comprehensive reform of migration law. No concrete results have been achieved thus far. On the contrary, there are legislative initiatives with problematic results and deficits in the areas of residence, education, labour market and health:

Residence law ("Bleiberecht")

The German Ministry of the Interior has submitted a draft law on better enforcement of obligations to leave („Entwurf eines Gesetzes zur besseren Durchsetzung der Ausreisepflicht“) to the interdepartmental coordination body.

The draft proposes to distinguish between tolerated

foreigners, who cannot leave for reasons beyond their control, and foreigners who are responsible for preventing their own departure. The central registry of foreigners reports a large proportion of asylum seekers who have been unsuccessful in their application but received a residence permit. Almost every second asylum seeker with a negative decision on their application has nonetheless received an unlimited residence permit, every third has a temporary permit. This situation suggests that a large part of those seeking refuge will not receive refugee status, but will nonetheless not be deported for a significant time. The draft legislation makes asylum seekers responsible for the fact that some countries of origin do not receive rejected applicants or refuse to issue travel documents.

The draft also plans to eliminate the rule that a deportation has to be announced at least one month in advance. It also plans to allow the quick deportation of previously tolerated people, some of which have been in Germany for years, if the time before the application and the application process itself is counted. Furthermore, the duration of deportation custody is to be extended from four to fourteen days.

The speed and quantity of legislative initiatives has led to an overload of the system when it comes to compliance with the law. Legal certainty is not guaranteed.

Asylum seeker benefit law "Asylbewerberleistungsgesetz (AsylbLG)"

The current draft for the AsylbLG plans further cuts in benefits. There will be fewer financial benefits and more benefits in kind.

The draft legislation plans, after the last cuts that came into effect on 17 March 2016, to lower the designated need of people entitled to benefits even further, below the specifications the federal constitutional court set in 2012.

The current draft therefore does not comply with constitutional law when it comes to the designation of a basic minimum that protects human dignity. Even the regular amounts defined in German social law (SGB II) are not sufficient, according to the latest calculations.

166 <http://www.mipex.eu/germany>



In addition, the proposed legislative change is a step towards benefits in kind. The preference for benefits in kind ultimately aims to not pay any financial benefits at all - and, in consequence, deny any opportunities for self-determination to people entitled to AsylbLG benefits.

Thus far, it is also unclear how the problem of young adults who have reached 18 years of age and abruptly find themselves no longer eligible for youth benefits is to be resolved, as so far there is no mechanism to ensure that they can transition immediately to other benefits.

There are problems in the transition from youth benefits to subsequent benefits systems. It is necessary to accommodate the special needs of young refugees, independent of whether they are accompanied or unaccompanied. We recommend to raise the maximum age for youth benefits to 21 years.

Education

To be able to analyse the progress of integration, and thus be able to evaluate integration measures, the national plan for integration includes federal integration monitoring. It registers the integration status of people from migrant families in central sectors of society by means of measurable indicators. The results are published on a regular basis. Data on participation in education and the labour market can also be found in regular statistics ("Mikrozensus"). "People with a migration background" more often do not have a secondary or vocational degree. They also less often acquire a degree that would qualify them for post-secondary education at a university or university of applied sciences. Consequently, they also less often have an academic degree.

Federal law on integration ("Bundesintegrationsgesetz")

The new federal law on integration distinguishes between refugees with good and bad residence prospects. The right to language and integration courses only applies to asylum seekers with a good prospect of residence from Syria, Iran, Iraq, Eritrea and Somalia. Refugees with "tolerated" status and a low prospect of residence do not have access to language

or integration courses or to education and the labour market.

In practice, this distinction leads to a multitude of problems, which can also lead to societal tension. In shelters, the unequal access to such services feeds tensions. The hopelessness and perceivably unequal treatment of people without a prospect of residence leads to depression and aggression. The months-long stay in refugee facilities makes it absolutely necessary that even those with a low prospect of residence have access to such services. If larger numbers of refugees with "bad" prospects of residence are excluded from participatory processes, there will be long-term social difficulties in the affected communities and integration, which is so crucial, will be effectively prevented. The long-term social and financial costs will, as experience has shown, be many times higher than the costs saved on integration.

In addition, the waiting times for integration courses for asylum seekers with a good prospect of residence are six months on average. There are no alternative programmes during the waiting period. Furthermore, language courses aren't offered everywhere they are needed. Also, the language level of the courses is insufficient. The language courses teach level A1, the integration courses go up to level B1, while potential employers ask for at least B2. Volunteers and associations do their best to close this gap.

The rule that vocational schools may no longer admit refugees below 18 years of age into their international classes makes the educational and social integration of young refugees more difficult. Many were not able to attend school, in their countries of origin or in countries where they stayed in between, for a significant time and are therefore relatively old for their educational level. In many cases they also turned 18 while already in Germany, while waiting to be assigned a school. In this way, a large number of pupils with considerable potential cannot be placed in secondary or vocational school by the municipal integration centres.

Language and education are key to integration. They enable labour market access and social participation. The complete educational system has to be strengthened and accordingly financed, so that it can



integrate refugee children, who need special support, from the beginning.

Overview of the most important demands of the national EU strategy group:

- Access to language and integration courses has to be granted to all refugees as soon as possible and free of charge. Such offers have to be expanded.
- To warrant sufficient and needs-oriented educational opportunities, corresponding capacities have to be created at child care centres, schools and universities.

Labour market

According to estimates about 500,000 refugees will potentially be available on the labour market in the coming year. However, the noticeable disadvantage compared to the non-migrant population continues into the labour market. The federal law on integration only allows asylum seekers with a good prospect of residence access to vocational training and the labour market.

It is necessary to create a means of assessing qualifications quickly and reducing bureaucratic obstacles. In most countries, there is no system of vocational training directly comparable with the German system, meaning there are also no directly compatible degrees. This means that refugees often can only be employed in low-threshold jobs, since the threshold of several years' vocational training is too high. The German employment office has only offered temporary and unspecific language courses thus far.

Employment helps people to help themselves. The basic precondition for taking up any sort of job is that the refugee's status has been determined. Until someone has been properly registered, several weeks or months can pass. This is followed by the time it takes for their applications to be processed. This is lost time for the refugees and their social integration.

Overview of the most important demands of the national EU strategy group:

- A quick qualification system to register existing qualifications and, if necessary, complement them with fast track vocational training, tailored to existing skills, has to be made possible. Pragmatic and individual solutions are necessary.

- The existing willingness of companies to employ refugees has to be supported by work-related language courses and the reduction of bureaucratic obstacles.

More language courses focused on specific professions have to be offered.

Health

People without valid papers are currently not included in any care model and are restricted to the limited care allowed under the asylum seeker benefit law. However, healthcare must not be a privilege, it is a human right.

Overview of the most important demands of the national EU strategy group:

- People with psychological conditions, such as psychological trauma, or people with disabilities, must be given immediate access to healthcare and medical services that go beyond the treatment of acute illnesses and emergencies. This is of particular importance for minors among the refugees, who often only show signs of psychological trauma with some delay.
- All asylum seekers and tolerated people must have the same level of medical care as that provided in the public insurance system's health plan.
- A health insurance card for asylum seekers has to be introduced at once nationwide.

Housing

The demand for affordable housing will increase considerably in the future. It is essential for the integration of recognised refugees that they can create and afford a new home. The national EU strategy group regrets that the situation and the special needs of particularly vulnerable groups are not considered in the "Asylum Procedure Acceleration Act", even though it had been included in the first drafts of this new law.

So far Germany has not enacted EU-law in regard to safe spaces for especially vulnerable groups in national law.

Overview of the most important demands of the national EU strategy group:



- Housing has to provide shelter, individuality and privacy as well as participation in the activities of the local communities to the tenants.
- It is necessary to create, as quickly as possible, sufficient affordable housing by means of a housing programme, including a favourable fiscal framework, in order to ease the situation on the housing market.
- There must be sufficient support to help people with the right to permanent residence seeking accommodation.
- Persons entitled to political asylum must be provided with complete assistance if they fall under the Asylum Seeker Benefit Law.
- EU-law regarding safe spaces for especially vulnerable groups has to be transposed into national law as soon as possible.

Accommodation and provision of sustenance for children and adolescents

The national EU strategy group welcomes the efforts to improve the situation of migrant children and adolescents in Germany, for example through the clarification of how to gain access to the benefits provided for in Social Security Code VIII (SGB VIII).

In the eyes of ASB, however, the law on housing, care and support for migrant children and adolescents alone does not suffice to significantly improve their situation and to put them on a level with other children and young people living in Germany. Apart from the existing measures there is need for an overall concept, where the well-being of minors must be taken into account as a priority. The procedure for distribution, which is regulated in § 42b SGB VIII, does not recognise uniform and clear standards for the participation of children and adolescents and does not sufficiently consider their possible wishes and needs.

From the national EU strategy group point of view the redistribution of underage refugees may only take place with the consent of the minors concerned. In addition to the unaccompanied minors, there are also many children and young people who come to Germany with their families. They also belong to a particularly vulnerable group of people and must be given special attention in all legal regulations and

measures for refugees. In this context, ASB welcomes the clarification of the primacy of child and youth welfare, which is urgently required in accordance with European law and the UN Convention on the Rights of the Child.

So far there are no generally accepted and uniform, nationwide standards in respect of the care of refugee children. However, these are urgently required, whereby the wellbeing of the child must always be given the highest priority. This must also include clear regulations for the participation of minors for whom regulations have so far been inadequate. An essential key for integration is education. In this regard, the Federal State, the Länder and the municipalities must significantly increase their efforts in order to meet the requirements.

Overview of the most important demands of the national EU strategy group:

- For all measures concerning migrant children and adolescents, priority must be given to the child's well-being. Politics and authorities must follow this system consistently.
- Clear standards for the participation of children and adolescents must be developed and implemented nationwide. The participation and inclusion of children and young people must be ensured.
- There must be clear standards for the age assessment of unaccompanied refugees and they have to be implemented. In the case of doubts the minority of an individual has always to be assumed by default.
- The right to access basic care and education for children and adolescents, irrespective of their or their parents' prospects of being entitled to stay in Germany, must be consistently ensured.
- Vocational training opportunities are to be expanded to enable children and young people to integrate into society. The Federal Government, the Länder and the municipalities must strengthen their financial commitment to youth work, youth welfare services and similar services for minors.

1.2 How are EU funds for asylum, migration and integration (AMIF) allocated in your countries? Which categories of third country nationals are they



addressing (e.g. refugees, beneficiaries of family reunification, economic migrants, unaccompanied migrant minors)?

Registered legal entities under private law or public law (e.g. welfare services providers, ecclesiastical and charitable organisations, registered associations, national and international non-governmental organisations, local authorities) or international organisations alone or in partnership with others may apply for a project in the field of asylum, integration or repatriation and apply for a EU grant from the AMIF.

The fund covers the funding period 2014 to 2020 and its main focus is on the following two points:

- Strengthening and developing the Common European Asylum System, including its external dimensions,
- Integration of migrants and legal migration.

1.3 Are NGO's involved by national and local authorities in the development and implementation of integration programmes? In particular, are NGOs consulted on the allocation of EU Funds for integration programmes (e.g. AMIF)?

At federal level, regular exchanges took place between the Federal Office for Migration and Refugees, other ministries and state institutions and welfare organisations in the design of subsidy programmes. There has been an intensive debate on the definition of EHAP and ESF policies and programmes. Participation in the design of the AMIF at the Federal Ministry of Interior Affairs, however, was difficult. Yet, at the municipal and rural level, there was strong participation by the welfare organisations who contributed to the integration concepts.

2. DISCRIMINATION AND INTERCULTURAL COEXISTENCE

Overview of the situation as seen by the European Commission:

Germany is one of Europe's major destination countries since 1960s, traditionally composed of family migrants and former guest-workers. This country has now entered the Top 10 on Integration Policy, just above the average for Western Europe. But, similar numbers in Germany as across Europe

are reportedly experiencing racial/ethnic or religious discrimination. Similar numbers of non-EU citizens are not in employment, education or training, stuck in jobs below their qualifications and separated from their non-EU families, while sizeable numbers are also eligible for long-term residence and DE citizenship. The gaps in some areas of life – adult and child education, political participation, family reunion – are even larger in DE than in most European countries¹⁶⁷.

Challenges identified by the European Commission:
The latest comparable EU data (2012) found that 4.4% of people in DE felt that in the past year they were discriminated against or harassed based on their ethnic origin (2.7%) and/or religion (2.1%)¹⁶⁸.

2.1 Are there movements/campaigns/initiatives in your country in favour or against the integration of third country nationals? What is your evaluation of them?

In Germany there has been a high level of commitment by civil society, which now needs to be maintained under difficult conditions. Five previous elections have produced a party that makes the polarisation in society clear. Due to movements such as Pegida and AFD, xenophobic foundations are encouraged and strengthened. Populist and xenophobic statements show a renationalisation and demarcation of Europe. In addition to populist agitation, tensions are escalating, as reflected in attacks on refugee homes. The welfare associations are therefore increasingly supportive of welcome initiatives and integration concepts.

2.2 What are your recommendations to fight discrimination and to promote intercultural coexistence in your country?

Different benefit systems support the feeling of unequal treatment. Special rules and systems should be avoided and integrative legislative initiatives should be taken, with the aim of advancing equal treatment and equal rights and actively creating exchange and transparent communication. Grievances that have existed, particularly on the municipal level, well before the refugee crisis, should be addressed.

DEVELOPMENTS IN SOCIAL PROTECTION SYSTEMS

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1. ADEQUATE INCOME SUPPORT IN YOUR COUNTRY AS A BASIS FOR SOCIAL PROTECTION OVER THE LIFE-SPAN OF A PERSON TO FIGHT POVERTY AND ENSURE ACTIVE INCLUSION

1.1 Minimum income

Challenges identified by the European Commission: *Minimum income schemes have been gradually expanded, gaining importance as a source of income support. At the end of 2014, 7.55 million people or 9.1 % of the total population received minimum income benefits. The number of beneficiaries receiving a means tested minimum income for retirees (Grundsicherung im Alter) nearly doubled. From around 257 000 at its introduction in 2003, it increased to around 512 000 people in 2014¹⁶⁹.*

Is there a minimum income scheme in your country? If yes, is the level of minimum income adequate in your opinion? Where do you see gaps and possibilities for improvement?

There is a basic benefits system ("Grundsicherung") for unemployed people and a basic benefit system for the elderly and people who are have a lower ability to achieve income or no ability to achieve income. There is also a system of cost-of-living aid ("Sozialhilfe") as the lowest safety net. The aim of these systems is to ensure a life lived in dignity.

The most significant problem is that the widespread over-simplification of benefit procedures is not appropriate for the multitude of individual needs.

The national EU strategy group demands:

- More options for individualisation.
- The abolition of the different sanction system for under 25-year olds.

1.2 Unemployment benefit schemes

Overview of the situation as seen by the European Commission: *Beneficiaries with children receive 67% of net earnings, while beneficiaries without children receive 60% of net earnings. It ranges from six months for people who have been subject to compulsory insurance for 12 months up to a maximum of 24 months for older people who have been subject to compulsory*

169 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_germany_en.pdf

insurance for 48 months. The basic provision for jobseekers is a needs-oriented and means-tested welfare aid, the amount of which is determined in line with social assistance, in order to guarantee a socio-cultural subsistence level. The necessary subsistence level is granted according to the "normal requirements" (Regelbedarfe) at federal level which are the same all over Germany.

While you are claiming benefits, you are obliged to report to the competent institution for basic provision (the so-called job centre) if requested to do so. Failure to respond to such a request without a valid reason may result in penalties in the form of reduced benefits. The basic provision for jobseekers is subject to a specific assessment. The job centre decides on the request for benefits. The incapacity for work is also determined by the job centre. Moreover, in the case of an appeal you have to obtain an expert opinion from this centre. The job centre has an external service to combat benefit fraud.

Challenges identified by the European Commission: *Although the overall labour market performance is very strong, in particular with unemployment at historically low levels, ageing-related labour and skills shortages are looming, calling for full use of the existing labour force. As these trends challenge not only the labour market, but also the sustainability and adequacy of the pension system, stronger incentives for later retirement appear indispensable¹⁷⁰.*

What are the recent developments in your unemployment benefit schemes (e.g. decrease/increase in coverage, limitation/extension of the duration of unemployment benefits)? Where do you see gaps in the system?

Current developments in our unemployment insurance system show, that the unemployment rate has strongly decreased and currently is at a low level (2016: 6.2%). The labour market shows general mobility, but there are deficits in the integration of long-term unemployed people. This group is no longer included in the regular unemployment insurance system but receives the basic benefits ("Grundsicherung") for the unemployed. Many unemployed people do not register in the statistics for a variety of reasons.

Overview of the most important demands of the national EU strategy group:

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- There have to be strengthened efforts to integrate long-term unemployed people. This requires appropriate funds.
- There have to be more transparent statistics regarding the different groups of unemployed people (long-term, youth...).

1.3 Pensions

Overview of the situation as seen by the European Commission:

Old-age poverty is expected to increase. The standard pension within the statutory pension scheme has increased at a rate below inflation from 1990 to 2014, contributing to a decrease in the real value of pensions¹⁷¹.

Challenges identified by the European Commission:

The risk of old-age poverty is expected to increase and the replacement rate of the statutory pension scheme is being gradually reduced, while rates of enrolment in second or third-pillar pension schemes are too low to alleviate this risk significantly. The number of beneficiaries receiving a means-tested minimum income for retirees nearly doubled between 2003 and 2014. However, proposals to improve incentives for later retirement (Flexi-Rente) have not yet been formalised. It remains to be seen how effective they can be in counteracting the incentives for early retirement introduced in 2014¹⁷².

What are the recent developments in your pension system (e.g. increase/decrease of the retirement age, increase/decrease in coverage/level of pensions)?
Where do you see gaps in the system?

The most recent developments show an increase in poverty among the elderly. The reasons for this are cuts in the pension system and larger gaps in the employment histories of the affected people. The combination of both these factors means that poverty among the elderly will continue to increase.

Overview of the most important demands of the national EU strategy group:

- The reasons for poverty among the elderly have to be eliminated, particularly through better wages (in comparison to the average wage) a determined stance against the low-wage sector, and better protection in the case of unemployment, self-

171 http://ec.europa.eu/europe2020/pdf/csr2016/csr2016_germany_en.pdf

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employment or homemaking.

- Improvements in pensions are necessary, while further cuts in the general level of pensions have to be avoided and better protection in case of lower income is needed.
- The remaining differences between the systems of East and West have to be abolished.

1.4 Indebtedness of households

Overview of the situation as seen by the European Commission:

Since the onset of the financial and economic crisis, Germany has experienced a very low interest rate environment, which could have been expected to affect the savings and consumption decisions of households. While the phenomenon of low interest rates is not unique to Germany, there are certain characteristics of the German economy, in particular high saving rates among households, which warrant further analysis. This is of particular relevance in the context of macroeconomic imbalances. German households show a preference for liquidity, even when faced with declining interest rates. There is no clear sign that households are responding to lower interest income by considerably diversifying into higher yielding/riskier assets.

Households continue to be the sector with the highest excess savings. Against the background of its traditionally high saving rate, the household sector accounted for 61 % of Germany's total excess savings in 2014.

A relatively low level of household borrowing over an extended period is the main feature that distinguishes German household net saving rates from other Member States. German households continue to engage in passive deleveraging, with new borrowing remaining considerably below nominal GDP growth.

Somewhat increased household credit growth since 2008 has been largely driven by increased demand for house building loans. Rising house prices have less scope to support private consumption in Germany given the relatively low home ownership rate and certain inefficiencies in the mortgage market¹⁷³.

What are recent developments in the level of household indebtedness? Do you know about reasons for these developments? Are there policies in your country to target this problem? What are your recommendations to improve the situation?

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The group of people who are not able to pay their debts remains at a constant 6.7 million people. It is clear that most of these people are socially disadvantaged.

Overview of the most important demands of the national EU strategy group:

- There has to be more affordable living space.
- The employment situation for people with low qualifications has to be improved.
- Debt counselling must be expanded.

2. PROVISIONS FOR DECENT WORK IN YOUR COUNTRY TO GUARANTEE THAT PEOPLE CAN EARN A LIVING AND AVOID IN-WORK POVERTY

2.1 Minimum wage

Overview of the situation as seen by the European Commission:

The statutory national minimum wage boosted wages at the bottom of the distribution, in particular in eastern Germany. The introduction of the nationwide minimum wage of EUR 8.50 per hour on 1 January 2015 had a different impact in eastern and western Germany. Increases were particularly pronounced for workers in eastern Germany, and especially for the low-skilled, and those in atypical employment. The general minimum wage is intended to increase the income of low wage earners, thus contributing to reducing inequality, preventing an increase in in-work poverty and increasing household consumption and domestic demand. However, the positive impact of the minimum wage on net disposable incomes may be limited by the tax wedge and lower social benefits, if it results for instance in the withdrawal or reduction of income top-ups¹⁷⁴.

Challenges identified by the European Commission:

The impact of the minimum wage on in-work poverty is positive but limited, due to the interaction with the tax and benefits systems¹⁷⁵. The tax wedge at the level of the minimum wage is high in comparison with other Member States, resulting in lower incomes at the bottom end of the wage scale. Reducing employees' social security contributions or the personal income tax, including by targeted allowances or refunds, would reduce this tax wedge, increasing in turn the disposable income of low wage earners and thereby

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increasing consumption possibilities¹⁷⁶.

Is there a minimum wage scheme in your country? If yes, is the level of minimum wage adequate in your opinion? Where do you see gaps and possibilities for improvement?

There's a minimum wage by law and sector-specific minimum wages, which are being increased to €8.84 from 1 January 2017. There is no reliable empirical data on the impact of the minimum wage on the number of people below the poverty line. The minimum wage does not apply to people who have been unemployed for a longer period of time, people in vocational training and people in obligatory internships. For a pension meeting at least the basic minimum, a wage of €8.84 is problematic. However, the economic consequences have to be weighed against each other.

Overview of the most important demands of the national EU strategy group:

- Existing exceptions regarding the application of the minimum wage have to be abolished.
- The minimum wage has to be continuously adapted due to increases in costs of living.

2.2 Reconciliation of work and private life

Overview of the situation as seen by the European Commission:

A strong impact of parenthood on labour market participation is partly a result of the limited availability of quality full-time childcare, all-day schools and long-term-care, as gaps remain despite recent progress: more than 40 % of young women report that looking after children or adults with a disability were the main reasons for working part-time¹⁷⁷.

What are recent developments in provision for maternity and paternity leave in your country (e.g. increase/decrease in coverage/level and duration of benefits, improvements for paternity leave arrangements)? Where do you see gaps in the system of maternity/paternity benefits? Do you see gaps that make the reconciliation of work and private life more difficult in your country? What are your

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recommendations to improve the situation?

In 2015, "ElternGeldPlus", a parental benefit, was introduced. It makes it easier for mothers and fathers to combine parental leave with part-time work. Parents, who only work part-time after the birth of their child can prolong their paid parental leave. One month of regular paid parental leave ("ElternGeld") translates to two "ElternGeldPlus" months. If mothers and fathers decide to simultaneously only work part-time (four months of 25-30 weekly hours in parallel), they receive four additional "ElternGeldPlus" months via the so called partnership bonus. We appreciate this new option for parents to better combine family and employment.

The latest official statistics show that the proportion of parents of children below six years, who are on parental leave, has increased by a third from 9% to 12%. The proportion of mothers on parental leave used to stay at around 20% until 2010, but since 2011 has increased to 24% in 2015. The increase for fathers was stronger, but on a lower overall level. In 2015, 1.5 % of fathers took parental leave, an increase by a factor of 2.5 compared to 2008 (0.6%). These positive developments are particularly prevalent in welfare circles, where fathers make more use of parental leave. On the other hand, jobs in STEM-fields show discrimination of fathers who wish to take on more family duties or go on parental leave.

Overview of the most important demands of the national EU strategy group:

- Further efforts have to be made to enable the combination of work and family. Women are underrepresented in leading positions and get paid less on average. In addition, they are disadvantaged when taking on full-time work due to insufficient options for child day care.
- Greater acceptance in the workplace when men decide to take on more family duties.
- More measures to increase the value and status of care work and to work against the re-traditionalisation of family gender roles.

3. NON-DISCRIMINATORY UNIVERSAL ACCESS TO QUALITY AND AFFORDABLE CARE, SOCIAL, HEALTH, EDUCATION AND LIFELONG LEARNING AND BASIC

FINANCIAL SERVICES (I.E. ACCESS TO A BANK ACCOUNT)

Overview of the situation as seen by the European Commission:

The labour market potential of certain groups, especially women and people with a migrant background, remains under-utilised and work disincentives, especially for second earners, remain in place. Specific characteristics of the tax system and health insurance discourage second earners from taking up a job or increasing the number of hours worked. This contributes to a low proportion of women working full-time and one of the lowest numbers of hours worked on average by women in the EU, despite a high female employment rate.

Key aspects envisaged are to provide voluntary health check-ups for mid-40s to prepare for longer working lives, allowing pensions to increase for people working above the age of 67 and to eliminate the burden on employers to contribute to the unemployment insurance in that case. As regards public and private expenditure on education and research, only a slight overall increase has been recorded in recent years¹⁷⁸.

Challenges identified by the European Commission: *Education is a crucial element for integrating the many (often young) refugees and so is fully mobilising the contribution of civil society. In addition, there appears to be room for further improving educational policies, while loosening the link between socioeconomic background and educational achievement¹⁷⁹.*

What are recent developments in the access to services in your country? Where do you see gaps (e.g. groups of people excluded from access to services, certain services not available in some regions etc.)? What are your recommendations to improve the situation?

The prospect of residence is checked as part of the general procedure in the case of permits. Children living in group accommodation are disadvantaged in their access to child day care (6 % of the children according to statistics). The staff concerned do not meet the higher requirements (language barriers, deficits in funding, overcrowded facilities). The facility directors do not have the capacity to take care of the needs and rightful **entitlements of the children.**

¹⁷⁸ http://ec.europa.eu/europe2020/pdf/csr2016/csr2016_germany_en.pdf

¹⁷⁹ http://ec.europa.eu/europe2020/pdf/csr2016/csr2016_germany_en.pdf



The most important demands of the national EU strategy group are:

- The rules for non-refugee children should apply.
- Protective status has to be checked on an individual basis.
- Access to all regular services has to continue even in the case of a “tolerated” status.

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GREECE

INTEGRATION OF THIRD-COUNTRY NATIONALS

1. TOOLS/PROGRAMMES IMPLEMENTED FOR THE INTEGRATION OF THIRD COUNTRY NATIONALS

Overview of the situation as seen by the European Commission:

With crisis/austerity, general inaction and limited funds for integration; many civil society actors had to turn their attention from improving integration outcomes to recording and fighting extreme right racist violence. The recession and austerity exacerbated structural problems within GR social and integration policies. GR's small-scale investments and infrastructure on integration were severely cut in terms of language and vocational trainings, intercultural schools and support for immigrant civil society. The new 2015 SYRIZA government promised a more humane and rational migration policy as part of its social policies¹⁸⁰.

Challenges identified by the European Commission:
Long-term improvements in GR's economic, social and political prospects would certainly improve GR and non-EU citizens' societal outcomes – and make it easier to work on integration. Much can, has been and must be done within the current context to fix the residence, citizenship and anti-discrimination policies for GR's now long-settled immigrant population¹⁸¹.

1.1 Are there specific integration policies implemented in your countries by the national, regional and local level? Which categories of third country nationals are they addressing (e.g. refugees, beneficiaries of family reunification, economic migrants, unaccompanied migrant minors)?

There is no official policy at present at the national, regional or local level to address the emerging issue of thousands refugees and migrants stranded in Greece. Greece was caught unprepared to accept such large numbers of refugees, mainly due to the economic crisis, which hit around one third of the Greek population. The fact that in the summer of 2015 there was no difference between the legal status of refugees and migrants made integration more difficult.

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The procedures implemented so far have aimed to provide adequate social services and to protect the basic human rights of refugees and migrants, namely: safe accommodation, proper food provision, access to medical services, legal services in order to clarify their legal status, social- psychological support, etc. These procedures are coordinated by the Ministry of Migration, but the implementation and the ownership of the whole process is guided by the UNHCR and the international NGOs (INGOs) in collaboration with the Ministry of Defence in open camps or detention sites. Most of the work concerning social support is done by the INGOs.

Another big issue is the enrolment of children in school. Many of them have not been able to attend school at all because of long term warfare, mainly in Syria. A few months ago the Ministry of Education started to plan the gradual integration of refugee pupils in primary and secondary education, but until now none of the children have set foot in a school classroom, due to the huge reactions of local populations and parents.

Generally speaking this is considered the so called "pre-integration period", meaning that the integration procedure is going to be adapted in order to absorb the reactions of local communities and populations, who see refugees and migrants sometimes better treated and protected from poverty and its consequences than themselves.

1.2 How are EU funds for asylum, migration and integration (AMIF) allocated in your countries? Which categories of third country nationals are they addressing (e.g. refugees, beneficiaries of family reunification, economic migrants, unaccompanied migrant minors)?

Please see Annex1 about EU funds allocation, concerning the funding of the migration issue in Greece. The funds are addressed to all categories of third countries nationals!

1.3 Are NGO's involved by national and local authorities in the development and implementation of integration programmes? In particular, are NGOs consulted on the allocation of EU Funds for integration programmes (e.g. AMIF)?

The majority of the programmes for the support, protection and accommodation of refugees are implemented by international and national NGO's with the direct input of EU funds under the umbrella and control of UNHCR-Greece.

So far just a few Greek national NGO's have the capacity, know-how and experience to participate as coordinating partners in projects funded by the EU. Therefore, a very crucial issue is the collaboration between the Greek NGOs and the INGOs as partners in planning, implementation and capacity building in joint programmes, funded by EU regional and sectoral development funds.

2. DISCRIMINATION AND INTERCULTURAL COEXISTENCE

Overview of the situation as seen by the European Commission:

According to a 2012 Eurobarometer, around 2% of people in GR felt they had been discriminated against or harassed in the previous year based on their race/ethnic origin (1.7%) and/or religion/beliefs (1%). Non-EU citizens are poorly protected from multiple and nationality discrimination in all areas of life, despite being a disadvantaged group disproportionately suffering from the crisis' social and economic effects. These weaknesses may mean that potential victims are poorly informed and supported to take even the first step in the long path to justice. MIPEX identifies clear gaps in GR's laws, procedures and policies based on international trends and best practice (e.g. nationality discrimination, racial profiling, class actions, and equality body powers)¹⁸².

Challenges identified by the European Commission: *Despite 2014's improvements (+8), the definitions in GR are only halfway favourable to fight discrimination. Non-EU citizens are not explicitly protected from nationality/citizenship discrimination, despite past recommendations from the Ombudsman. GR like only 10 other countries takes a 'minimum' horizontal' approach (like CY, CZ, MT, PL, ES), without greater protection for nationality discrimination in different areas of life (all areas covered in 16 countries). GR's policies go halfway to fight discrimination in courts and broadly in society¹⁸³.*

2.1 Are there movements/campaigns/initiatives in your country in favour or against the integration of third country nationals? What is your evaluation of them?

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Please see also the answer to question 1.1

Some NGOs started a public campaign in favour of migration in order to make the population friendlier and more open to the refugees. However, due to the economic difficulties that many people in Greece face, migrants are seen as a threat, since they can benefit from services which are limited for a large swathe of the population. We have to keep in mind that the state has so far spoken of pre-integration procedures and measures.

2.2 What are your recommendations to fight discrimination and to promote intercultural coexistence in your country?

The only way to get out of these overlapping humanitarian crises - the economic and social crisis facing Greek society combined with the refugee crisis - is for the Greek government to implement a large scale development programme with the assistance and follow-up of the EU. At the same time Greek citizens must be willing to change from the current the model of living on resources that belong not to them, but to the next generations, or borrowing by the banks. At the same time the Greek state must respect the work and trust the skills of Greek citizens and help them to improve those in order to achieve greater development and wealth.

DEVELOPMENTS IN SOCIAL PROTECTION SYSTEMS

1. ADEQUATE INCOME SUPPORT IN YOUR COUNTRY AS A BASIS FOR SOCIAL PROTECTION OVER THE LIFE-SPAN OF A PERSON TO FIGHT POVERTY AND ENSURE ACTIVE INCLUSION

1.1 Minimum income

Overview of the situation as seen by the European Commission:

Greece is one of the few Member States without a Guaranteed Minimum Income (GMI) scheme. The previous programme called for a pilot GMI scheme to be launched. The new programme provides for a gradual national roll-out to be completed by 2017. Co-financed by the European Social Fund, the pilot has now been completed. The pilot was undertaken in thirteen municipalities over a period of six months.

Approximately 27,000 individuals received support. Based on this pilot scheme and the evaluation of it, the new scheme should be introduced as a key component of the country's new social protection architecture. The GMI can significantly contribute to the reduction of extreme poverty. Specifically, the scheme would eliminate over a third of the pre-GMI extreme poverty gap. This is also important because the poverty gap in Greece has increased the most in the EU since 2008. It is also expected to reduce severe material deprivation.

The GMI programme has an estimated cost of 0.5% of GDP (EUR 1 billion)¹⁸⁴.

Is there a minimum income scheme in your country? If yes, is the level of minimum income adequate in your opinion? Where do you see gaps and possibilities for improvement?

It is now generally agreed that Greece has experienced an economic crisis on the scale of the US Great Depression of the 1930s. According to the Greek government's own figures, the economy first contracted in the final quarter of 2008 and - apart from some weak growth in 2014 - has been shrinking ever since. The recession has cut the size of the Greek economy by around a quarter, the largest contraction of an advanced economy since the 1950s. Developments of a country-wide GMI are therefore incomplete. As the Supplemental Memorandum of Understanding of 16.06.2016 states, the implementation of the nationwide rollout of the guaranteed minimum income scheme is still under way¹⁸⁵. It is currently foreseen that the authorities will make full preparations for a nationwide GMI rollout starting on 1 January 2017.

There are many possibilities in order to improve first the minimum and then total income:

Interventions in the labour market in order to enable all available mechanisms of Active Labour Market Policies (training, grants, and social work) are needed, together with measures to combat the persistent very high unemployment rates and the further deregulation of labour and product markets.

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The introduction of capital controls in July 2015 within the banking system has made access by Greek depositors to their own money and capital very difficult, which leads to problems in covering their (daily) needs. As the whole economy still faces a lack of sustainable growth, enterprises are still hesitant to hire people and increase wages. This has of course a negative influence on minimum wages and minimum income development.

1.2 Unemployment benefit schemes

Overview of the situation as seen by the European Commission:

Unemployment benefit comprises a base amount plus supplements for each dependant in your family. The basic allowance amounts to € 360. It is increased by 10% for each dependent family member¹⁸⁶.

Challenges identified by the European Commission:

As the recession unfolded, labour market conditions deteriorated dramatically (Karantinos 2013). According to Eurostat, the average employment rate (for people aged 20- 64) declined to 55.3% in 2012 from 59.9% in 2011 and 64% in 2010. The employment rate continued its downward trend in 2013, and is predicted to fall further in the coming months. According to the latest national data, the rate was estimated at 53.5% in the third quarter of 2013, having remained unchanged in relation to the previous quarter. Along with the fall of the employment rate, unemployment escalated to record levels. The unemployment rate (ages above 15) rose to 24.2% in 2012, from 17.7% in 2011 and 7.6% in 2008¹⁸⁷.

What are the recent developments in your unemployment benefit schemes (e.g. decrease/increase in coverage, limitation/extension of the duration of unemployment benefits)? Where do you see gaps in the system?

There have been no significant changes in unemployment benefits over the last two years. The basic allowance continues to be an amount of €360.00 for a single unmarried man rising to €420.00 for a family with two children, nominally 70% of the basic salary.

186 http://ec.europa.eu/employment_social/empl_portal/SSRinEU/Your%20social%20security%20rights%20in%20Greece_en.pdf

187 [http://www.europarl.europa.eu/RegData/etudes/note/join/2014/497760/IPOL-JOIN_NT\(2014\)497760_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/note/join/2014/497760/IPOL-JOIN_NT(2014)497760_EN.pdf)

The level of unemployment in Greece still is the highest in the Eurozone at 23.9%, so an increase in the employment rate would significantly reduce the pressures on the unemployment benefit system.

The group most at risk of reaching extreme poverty are the unemployed. The rate of extreme poverty for the unemployed in recent years is around 70-75%, from less than 50% in 2011.

1.3 Pensions

Overview of the situation as seen by the European Commission:

By 2010, the Greek old-age pension system had clearly become unsustainable. That year, pension expenditure amounted to 14.1% of GDP compared to an EU average of 12.8% of GDP. Greece also had one of the largest projected increases in pension expenditure in the EU, which was also linked to the improvements in life expectancy. Pension expenditure as a share of GDP was projected to grow by 12.5 percentage points by 2060 compared to 2010 - well above the EU average of 2.4% of GDP. Reforms were inevitable if the system was to remain solvent, and maintain its ability to pay out pensions. The 2010 and 2012 pension reforms were intended to improve financial sustainability, pension adequacy and address issues of fairness. The 2010 reform simplified the highly fragmented pension system. The purpose was to reduce administrative costs, improve the monitoring and collection of pension contributions, increase the retirement age and align benefits with career lengths. To improve the situation of pensioners without contribution records, it also aimed to introduce for the first time a minimum pension level for all. The purpose of the 2012 reform was to merge all supplementary pension funds into one scheme. It also sought to introduce a system to better link contributions with benefits. On 15 July 2015, the Greek authorities took the first steps by (i) granting guaranteed contributory pensions only after reaching the statutory retirement age which is currently 67 years; (ii) increasing health contributions for pensioners; (iii) streamlining supplementary public pension funds; and (iv) freezing minimum pensions in nominal terms until 2021¹⁸⁸.

Challenges identified by the European Commission:

These reforms have not been fully implemented and many challenges persist. The structure of the main pension system has remained fragmented with varying rules on the payment of contributions and on benefits - especially for the self-employed. Moreover, long transition periods mean that certain

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groups would still benefit from earlier retirement ages. According to the Commission 2015 Ageing Report, some of the Greek pension benefits are overly generous compared to other EU Member States¹⁸⁹.

What are the recent developments in your pension system (e.g. increase/decrease of the retirement age, increase/decrease in coverage/level of pensions)? Where do you see gaps in the system?

The aim from the beginning of 2017, backed by the legal framework, is for there to be just one pension fund, where all the employees have to be registered and covered. Currently there are two main funds, one for the self-employed and another one for the employers. This is a huge change in the pension system of Greece, whose main characteristic was that many similar categories of employees used to have separate pension funds with enormous differences concerning the initial age of retirement, the contributions paid and also the amount of pension, many times not fairly calculated or shared.

The problem of this procedure – of unifying all the pension funds - is that the true aim of this plan is not to create scale economies and share fairly the burden of the retirement system among all the actors, state, employees and employers, but rather to reduce the contribution of the state to the pension system, leaving the whole system without resources. Also there were no efforts to cover the economic (funding) gap of the different funds as they were integrated in the new system.

To tackle this issue several initiatives need to be implemented at the political and social level to make changes in social protection policies in order to reduce inequalities and combat poverty, which should be accompanied by a new architectural design for the insurance system, with a separation of insurance from welfare benefits. This, together with the application of a minimum income, is deemed necessary in Greece, one of three European countries that have not implemented similar policies.

1.4 Indebtedness of households

What are recent developments in the level of household indebtedness? Do you know about

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reasons for these developments? Are there policies in your country to target this problem? What are your recommendations to improve the situation?

Household debt in Greece decreased to 61.90% of GDP in the first quarter of 2016 from 62.50% of GDP in the fourth quarter of 2015. Household debt to GDP in Greece averaged 36.09% of GDP from 1994 until 2016, reaching an all-time high of 64.80% of GDP in the first quarter of 2014 and a record low of 5.50% of GDP in the fourth quarter of 1994.

At first, large business loans and second home mortgages will be transferred to distress funds, while small business loans, personal loans and first residence mortgages will be legislated upon in the near future.

Debtors are protected for a few months since the status of distress funds that will manage or buy the bad loans have to be established within Greece's legislative framework. Furthermore, there will be a 12-month period from the moment the banks will notify debtors that their loan is to be sold to a distress fund, so they can start repayments or make new arrangements.

However, this raises certain issues such as the privacy of debtors, as personal information would be given to distress funds. Also, it is not specified how the funds would operate within the Greek banking system, raising questions such as their legal rights or collection methods.

Some recommendations that may be useful in order to solve this situation are:

Intervention in the financial system to revise the framework for bankruptcy and allow for the reorganisation of indebted enterprises and improve the protection framework for heavily indebted households. At the same time the loan portfolio of banks will need to be improved.

2. PROVISIONS FOR DECENT WORK IN YOUR COUNTRY TO GUARANTEE THAT PEOPLE CAN EARN A LIVING AND AVOID IN-WORK POVERTY

2.1 Minimum wage

Overview of the situation as seen by the European



Commission:

The Government adopted an ambitious set of labour market measures, complementing the reforms passed in 2010 and 2011. In short, the most important of the reforms entailed: a/ a new type of firm-level wage agreement, allowing employers and employees to agree on wages that are less favourable than those stipulated in sectoral agreements, b/ a reduction in minimum wages in the private sector and a modification of wage-setting procedures, including the rules on the expiration of collective agreements and the arbitration of wage disputes, c/ measures to boost part-time work and facilitate more flexible work time, and d/ the introduction of non-subsidised sub-minimum wages for youths. According to the Government, "these minimum wage rates have been stipulated by the law in connection with the subsidisation of the social insurance cost and the purpose of the specific labour contracts, taking into account the lack of professional experience of young persons and the need to offer incentives for its acquisition". As regards the additional measures taken within the Medium-term Fiscal Strategy Framework 2012–15, as well as within the loan agreement which followed, the Government stated that "the prerequisites for the loan agreement of February 2012 were based on the need for a drastic reduction in public spending and, at the same time, drastic reductions in wages, both in the public and private sectors, thus creating conditions of increasing economic downturn"¹⁹⁰.

Challenges identified by the European Commission:

"Priority should be placed on issues like ensuring wage payment and more generally the protection of wages, as well as non-discrimination and other labour rights especially in the informal economy" (ILO 2011)¹⁹¹.

Is there a minimum wage scheme in your country? If yes, is the level of minimum wage adequate in your opinion? Where do you see gaps and possibilities for improvement?

Officially and legally a minimum wage scheme does exist, but Greece is the only EU Member State where the nominal gross minimum wage fell in 2015 compared with 2008, to €684 from €794, a decline of 14%. Greeks have lost one third of their purchasing power and one quarter of their income, while in 2014, 95% of them said they had difficulties getting by and 15% lived in extreme poverty in 2015.

One study was conducted by diaNEOsis, a non-

¹⁹⁰ [http://www.europarl.europa.eu/RegData/etudes/note/](http://www.europarl.europa.eu/RegData/etudes/note/join/2014/497760/IPOL-JOIN_NT(2014)497760_EN.pdf)
[join/2014/497760/IPOL-JOIN_NT\(2014\)497760_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/note/)

¹⁹¹ <http://www.europarl.europa.eu/RegData/etudes/note/>
[join/2014/497760/IPOL-JOIN_NT\(2014\)497760_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/note/)

governmental research and analysis organisation with the aim to study extreme poverty in Greece. The results show that in 2015, 15% of Greeks lived in extreme poverty, when in 2011 the number was 8.9% and in 2009 did not exceed 2.2%.

According to the survey, the extreme poverty line in Greece ranges from €182 per month for a single person in semi-urban or rural areas living in a privately own home, to €905 per month for a couple with two children living in Athens and paying rent or a mortgage.

The overall conclusion from the research can be summarised in one number: 1,647,703 Greek citizens, or 15% of the population, were living below the extreme poverty line in 2015.

Analysing individual results, there is a high rate of extreme poverty among children (17.6%) and young people aged 18-29 (24.4%), while only 2.7% of the population aged over 65 have incomes below the poverty line.

In contrast, public sector employees and their families, workers in public utilities and bank employees who fall under the extreme poverty line are less than 1%. The number of pensioners living in extreme poverty is also very low (3.8%).

The whole economy faces a lack of precious resources in order to increase in volume and allow enterprises to hire people and increase the wages. There are possibilities to improve this situation and, hence, to increase the minimum wage, by undertaking and implementing policies to increase the country's, such as: changes in the model of productivity and services markets; through incentives to enterprises; further liberalisation of closed professions; and strengthening the export sector by removing bureaucratic obstacles. The adoption of a fair tax system that provides incentives to work and invest, while working for a fair distribution of income and wealth would also be an important measure in this direction.

2.2 Reconciliation of work and private life

Overview of the situation as seen by the European Commission:



Parents' participation in the labour market is supported by the provision of quality childcare services for families, improving reconciliation of professional and family life. For 2013-2014, the number of subsidised places in childcare structures offered by the programme was increased by 10.000 than the previous period 2012-2013 due to budget's increase in order to be ensured that all children who meet the family criteria are admitted to nurseries. For 2014-2015, the Ministry of Labour, recognising the importance of this programme for the Greek family, implements the action under the frontloaded implementation of the new OP «Human Resources Development, Education and Lifelong Learning 2014 - 2020»¹⁹².

What are recent developments in provisions for maternity and paternity leave in your country (e.g. increase/decrease in coverage/level and duration of benefits, improvements for paternity leave arrangements)? Where do you see gaps in the system of maternity/paternity benefits? Do you see gaps that make the reconciliation of work and private life more difficult in your country? What are your recommendations to improve the situation?

The economic impact of ageing has begun to feature prominently in public debate in the US as one of the possible causes behind the now seemingly overambitious forecasts of economic growth since the crisis of 2008. In our country, in addition to the phenomenon of ageing (i.e. the increase in the average age and the decline of the economically active population), we will have to face an additional negative phenomenon, that of overall population decline.

International experience has shown that demography has a catalyst effect on the economy. The idea is rather obvious: when the population decreases, this reduces the number of consumers on the domestic market, as well as potential producers. Thus significant increases in productivity are needed, to offset the negative impact of the reduced population. This rule, however, implies that the reduction of the population reduced economic performance.

So, due to the economic crisis there is no longer term strategic plan for the protection of maternity/paternity in order to absorb the negative social consequences, especially for Greek families. Traditionally a huge bond of love and support exists between family members

192 http://europa.eu/epic/countries/greece/index_en.htm

and also between the old and new generations. So, there does exist a kind of strong shield to protect the most vulnerable persons, e.g. young people without job, elderly people without pension, long term unemployed, etc.

3. NON-DISCRIMINATORY UNIVERSAL ACCESS TO QUALITY AND AFFORDABLE CARE, SOCIAL, HEALTH, EDUCATION AND LIFELONG LEARNING AND BASIC FINANCIAL SERVICES (I.E. ACCESS TO A BANK ACCOUNT)

Overview of the situation as seen by the European Commission:

A number of measures have been adopted to extend health care access to the uninsured (estimated to exceed 2 million). Under the previous system, employment status generally determined access to health services. Rising unemployment and the inability to pay for health care has exacerbated this problem. Legislation passed in 2014 to remedy the situation included measures aimed at the uninsured to i) introduce universal primary care; ii) free access to secondary care and iii) equal access to pharmaceuticals. These measures will make the system more equitable, coherent and sustainable¹⁹³.

Challenges identified by the European Commission:
The intended results rely upon the full application of these measures as set in the reforms. Therefore the new programme calls for the full implementation of these reforms so that they can fully deliver the necessary improvements in the healthcare system¹⁹⁴.

What are recent developments in the access to services in your country? Where do you see gaps (e.g. groups of people excluded from access to services, certain services not available in some regions etc.)? What are your recommendations to improve the situation?

There is a big demand from the majority poor population for health services and pressure on the public health system. Everyone officially classed as poor (with a salary or unemployed living on or below the poverty line) by the local Municipality is entitled to free access to hospital care, but it is not easy to find the appropriate doctors or services. Furthermore, they have to pay an ever increasing contribution to the

193 http://ec.europa.eu/economy_finance/assistance_eu_ms/greek_loan_facility/pdf/assessment_social_impact_en.pdf

194 http://ec.europa.eu/economy_finance/assistance_eu_ms/greek_loan_facility/pdf/assessment_social_impact_en.pdf



purchase of drugs, treatments, etc. The situation has become increasingly worse, especially for vulnerable groups in the Greek population (unemployed, pensioners, etc.).

Recommendations:

- Measures for the introduction of evaluation in education, retraining of teachers, upgrading of preschool education, the redesign of the educational process and the educational content in secondary education, the expansion of all-day primary schools, rationalisation of the number of places in higher education and, of course, an evaluation mechanism, autonomy and accountability of higher education.
- Reform of the public health system by enhancing primary healthcare and ensuring a better interface with secondary care, merging low occupancy hospitals, introduction of new technologies to improve the efficiency of hospitals, introduction of continuous assessment practices, promote transparency in procurement, activation mechanisms for increasing the use of generic medicines, general use of protocols and electronic medical records, limit the number of admissions to medical schools.

The only way to move forward and overcome the social, economic and also political crisis is to implement initiatives to strengthen the Greek economy with a significant competitive advantage, at the European and global level, such as tourism, the primary sector, manufacturing, energy, transport, information technology, agriculture and others.

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HUNGARY

INTEGRATION OF THIRD-COUNTRY NATIONALS

1. TOOLS/PROGRAMMES IMPLEMENTED FOR THE INTEGRATION OF THIRD COUNTRY NATIONALS

Overview of the situation as seen by the European Commission:

Promoting immigrant integration has not been a government priority from 2010 to 2014. The minor scattered changes do not change the fact that ordinary non-EU legal residents in HU still have more obstacles than opportunities put in their path to participate in HU society, with its overall integration policies scoring 45/100 and ranking 23rd alongside RO and the rapidly-advancing CZ. HU is home to a very small number of non-EU citizens (0.6% like BG, LT) and immigrant children. HU integration policies have yet to respond to the needs and opportunities they bring to nearly all areas of life in HU. In contrast, other new destination countries continue to make major improvements (e.g. CZ, GR, PL), following international reform trends. Several old and new countries of immigration have implemented effective policies that reach and support immigrants to become employed, trained, and reunited with family, civically active, long-term residents and national citizens¹⁹⁵.

Challenges identified by the European Commission:
Anti-immigrant attitudes greater and increasing more than on average in EU e.g. around 1/3 believe in equal rights for immigrants as opposed to 2/3 on average in EU¹⁹⁶.

1.1 Are there specific integration policies implemented in your countries by the national, regional and local level? Which categories of third country nationals are they addressing (e.g. refugees, beneficiaries of family reunification, economic migrants, unaccompanied migrant minors)?

The Ministry of Interior is responsible for the integration policy of third country nationals at national level. The implementation of the objectives set out in the Ministry's national (AMIF) strategy (2015) will enable Hungary to manage its migration and return policy

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more efficiently, provide protection to persons seeking international protection in an efficient and humane way, foster economic and knowledge-based legal migration to Hungary to a greater extent, actively facilitate the integration of third-country nationals living in Hungary and ensure an efficient return system. AMIF resources for an action plan were allocated for the first two years on the basis of the Ministry's strategy. The beneficiaries are state bodies and NGOs.

The strategy includes a large number of positive arrangements: developing the basic elements needed to implement an asylum procedure (new reception centres, new services, building administrative capacity at national, regional and local level, including through the implementation of the integration strategy, developing intercultural dialogue by means of information campaigns etc.), creating an efficient and sustainable return system. The national programme is based on the general EU Migration Strategy (2013).

The Ministry declared in 2015 that in order to increase the efficiency of integration, the government intended to establish an Integration Strategy (developed by national resources) so as to develop and strengthen the integration of third country nationals on the national, regional and local level, by involving public administration, civil society and other stakeholders concerned. Wherever necessary, the specific needs of different categories of third country nationals, including beneficiaries of international protection, resettled or transferred persons and, in particular, vulnerable persons are taken into account. Hungary intended to implement numerous activities directly targeting the integration of third country nationals in the fields of education, employment, housing, social/health services, and legal guidance as well as social and political engagement.

The categories of third country nationals addressed are: legal migrants, asylum seekers, unaccompanied minors, family reunifications.

The situation of asylum procedure and the integration of migrants until 2014:

Although the number of foreigners living in Hungary has been rising in the past 30 years, their rate is still at around only 2% of the population including third county nationals. The total number of third country

nationals staying over three months on 31 December 2013 was 88,787: immigration permit (38,505), settlement/permanent residence permit (4,736), and both permits grant the same rights. In 2014 the numbers were: national settlement /national permanent residence permit (6,772), EC Long Term Residence permit (478), and residence permit (33,585). In 2015, the number of beneficiaries of international protection living in Hungary was 5,189. 12,787 applications were submitted by third country nationals for economic purposes, 12,276 for study purposes and 5,609 for family reunification in 2013. The number of arrivals from non-EU countries has been rising: citizens of China (7,377), USA (2,744), Iran (1,906), Ukraine (1,892), and Serbia (1,388) applied for the highest numbers of residence permits. Third country nationals living in Hungary were entitled to a wide range of rights corresponding to their residence status.

To overcome the difficulties caused by the language differences, 1,572 persons participated in Hungarian language training financed by the European Integration Fund in 2007-2013. 1,225 persons took part in programmes fostering their integration into the education system and labour market. However, the lack of knowledge of the Hungarian language and culture still hinders their integration into society, and needs to be strengthened. The third country nationals - particularly the beneficiaries of international protection - have the most difficulties with integration into the labour market, education and health system. There are services available for third country nationals but there is a need for additional, more need-driven services.

The consequences of the lack of Integration strategy are manifold. Migrants' ability to exercise their rights within the respective (social, education etc.) support systems is hindered due to the lack of a National Integration Strategy which is needed to serve as a framework. The development and implementation of an Integration Strategy should be based on surveys and research and it should be implemented based on local action plans to fulfil local needs. Self-reliance is a pre-condition for acquiring permanent residence in Hungary, which assumes appropriate income and housing. The beneficiaries of international protection and stateless persons are the most disadvantaged as they usually don't have an income and/or housing, of-



ten lack qualifications or knowledge of the Hungarian language, and they need further assistance in order to access the labour market and education as well as social housing programmes.

The so-called “integration contract” was abolished by law amended on 1 June 2016. According to the amendment, once their status is recognised, refugees are entitled to stay in reception centres for only one month, instead of two.

According to the adopted law, migrants or people who were received by the Hungarian authorities within the framework of the Dublin procedure and who registe-

red as asylum-seekers in the country of first entrance (but not in Hungary) can be taken into custody. The purpose of the law is to guarantee the participation of those concerned by the authorities’ immigration procedures.

The regulation concerning requests for residence permits has also become stricter. There are now stricter rules applying to third-country nationals requesting reasonable conditions, so that those who are likely to face expulsion will not receive the permit.

1.2 How are EU funds for asylum, migration and integration (AMIF) allocated in your countries? Which categories of third country nationals are they address-

AMIF Financial plan 2014-2020 (Hungary)		
Reception/asylum	€6,055,517	Transit centres, Access to asylum: €0
Evaluation	€226,076	
Resettlement	€109,400	
<u>TOTAL Asylum</u>	<u>€6,390,993</u>	
Legal migration	€271,865	Joint initiatives, Unaccompanied minors: €0
Integration	€7,679,134	
Capacity	€1,529,238	
<u>TOTAL Integration</u>	<u>€9,480,237</u>	
Accompanying measures	€5,073,184	
Return measures	€1,722,912	
Cooperation	€400,409	
<u>TOTAL Return</u>	<u>€7,196,505</u>	
Joint return, joint reintegration, joint family unity and unaccompanied minor reintegration: €0		
<u>TOTAL Solidarity: €0</u> EU Member States which are most affected by migration and asylum flows can count on solidarity funds from other EU Member States.		
TOTAL Special Cases: €8,164,000 (resettlement from Italy, Greece)		
<u>TOTAL</u>	<u>€31,877,477</u>	



ing (e.g. refugees, beneficiaries of family reunification, economic migrants, unaccompanied migrant minors)?

The Ministry prepared Working Plans for three and two year periods for the implementation of scheduled funding priorities – call for proposals, selection of projects, and implementation of supported projects. The first period of funding was 2014 to 2016 and sources have been allocated.

Target groups:

- Refugees and asylum seekers, divided into categories: need for international protection/stateless persons and those with economic motives.
- Migrants are divided into two categories, legal migrants and irregular migrants.
- The reception and accommodation of unaccompanied minors are managed within the Hungarian Child Care System.
- Beneficiaries of family reunification.

1.3 Are NGO's involved by national and local authorities in the development and implementation of integration programmes? In particular, are NGOs consulted on the allocation of EU Funds for integration programmes (e.g. AMIF)?

NGO's are involved in the development and implementation of integration programmes (in 2013-14). For example: Specific migrant and intercultural training for the staff of NGOs involved with third country nationals; Development of capacities at the central, regional and local level – e.g. through the establishment and operation of a migration customer service; developing and implementing partnerships with NGOs focusing on third country nationals; training programmes and awareness raising for e.g. judges, staff of reception centres, NGOs, child care institutions.

At the end of 2015 the Hungarian government intended to establish an Integration Strategy so as to develop and strengthen the integration of third country nationals on the national, regional as well as local level, by involving public administration, civil society and other stakeholders concerned. The participation of civil organisations, detention and reception centres and community shelter in delivering information to potential beneficiaries on voluntary return and reintegration programmes was essential said the Hungarian

government at the end of last year. The Ministry of Interior invited the non-governmental and international organisations – IOM, UNHCR, Menedék Assoc., Hungarian Helsinki Committee, Cordelia Fnd., Hungarian Reformed Church, Artemisszió Fnd., etc. – to a civil forum held on the 26 February 2013 which aimed at the preparation of the Strategy. The NGO's with the relevant governmental organisations – OIN, Police – participated on 10 February 2014 in the preparation of the National Programme on the AMIF based on the Strategy, identifying the national priorities and objectives. The wide variety of participation ensured the reflection of real needs in the national programme of Hungary. The Ministry of Interior amended the National Programme and published it on the Solid Funds web site. Some of the outcomes of the forums, which have been included in the National Programme, are the following: more effective administrative supports for family reunions, services for persons accommodated in community shelters, early identification of vulnerable asylum seekers, etc.

Hungary (through Menedék - Hungarian Association for Migrants as one of most significant NGOs) will participate in the "National Integration Evaluation Mechanism", led by Poland. Hungary intends to contribute financially – approximately €20,000 is foreseen – to the action. Hungary plans to establish a coalition of relevant actors, in which the leading role will be played by representatives of ministries and other public institutions responsible for shaping and implementing the integration policy. National partnership will also consist of practitioners, researchers, beneficiaries of international protection and other actors engaged in various activities either directly targeted at asylum seekers and refugees and/or generally aimed at improving their situation in Hungary in the following fields: education, employment, housing, health care, political participation, access to citizenship and family reunification. The programming of the Working Plan (2014-16) is implemented in cooperation with relevant authorities and governmental bodies, including personal meetings in June 2015.

AMIF funds have been allocated for the first of three periods, from 2014 to 2016 and some NGO integration projects were funded from this: training for migrants to become entrepreneurs, increasing migrants' social activity, dialogue between cultures, intercultural



training for professionals, social workers, developing teaching, nursing activities for migrants' children in nurseries, schools, help in labour market integration for migrant students in the higher education system, Hungarian language teaching etc.

General remarks or other comments:

Despite the construction of the border fence on the Serbian and Croatian border sections, the number of irregular migrants apprehended by the Hungarian police has been constantly on the rise since the beginning of 2016, with a total of 17,472 irregular migrants apprehended. The same trend could be observed with regard to the number of asylum claims registered in Hungary: 22,491 Asylum-seekers registered in Hungary.

In the first four months of 2016, only 228 asylum-seekers were granted protection (refugee status or "subsidiary protection" status). During the first six months of 2016 the majority of asylum-seekers (65%) came from war- and terror-torn countries, including 15% from Syria, 37% from Afghanistan, 11% from Iraq and 1% from Somalia.

1,489 asylum-seekers were accommodated at open reception centres (in the cities of Bicske, Vámoszabadi, Körmend and Balassagyarmat). On 20 June, 734 first-time asylum-seekers were detained in specific "asylum jails" (in Békéscsaba, Kiskunhalas and Nyírbátor). In the first five months of the year only 300 asylum-seekers were sent back to Hungary under the so-called Dublin procedure, primarily from Germany (144) and Switzerland (44). In the first five months of the year only 99 irregular migrants were officially returned to Serbia (note that the refusal of asylum applications in the transit zones does not result in such official transfers). This includes 33 Serbian, 26 Kosovar and 19 Albanian citizens. None of the returnees were Syrian, Afghan, Iraqi or Somali citizens. Between 15 September 2015 and 26 June 2016, 2,839 persons were tried at court out of which 2,792 were convicted for the "prohibited crossing of the closed border", namely the border fence between Serbia and Hungary.

Legal amendments (July 2016) allow the Hungarian police to automatically push back asylum-seekers who are apprehended within 8 km (5 miles) of the

Serbian-Hungarian or Croatian-Hungarian border to the external side of the border fence, without registering their data or allowing them to submit an asylum claim, in a summary procedure lacking the most basic procedural safeguards (e.g. access to an interpreter or legal assistance). As no more than 15 asylum-seekers are allowed to enter the transit zones per day, those pushed back are stranded for several days or weeks in inhumane conditions, waiting in front of the transit zones. Currently over 500 asylum-seekers are stranded in front of the Serbian-Hungarian transit zone, without any shelter, support or food provided by either the Hungarian or the Serbian state.

Legalising push-backs from deep within Hungarian territory denies asylum-seekers the right to seek international protection, in breach of international and EU law. A total of 2,051 potential asylum-seekers have been denied access to Hungarian territory by the authorities since the amendment came into force, preventing these people – in majority fleeing from Afghanistan, Syria and Iraq – from applying for international protection in the European Union.

2. DISCRIMINATION AND INTERCULTURAL COEXISTENCE

Overview of the situation as seen by the European Commission:

*6% of all people in HU in 2012 felt that they had recently experienced ethnic (4.8%) and/or religious (1.4%) discrimination, according to 2012 European-wide data. Ranked 7th, HU (like BG, RO) leads on anti-discrimination through broad laws, a strong equality body and strong possibilities for enforcement by involving equality NGOs. NGOs help to enforce rights by representing victims in court and using *actio popularis* and situation testing. Victims can also turn to the Equal Treatment Authority, one of the strongest equality bodies in Europe (also BG, IE, NL, SE). However state equality policies are only halfway favourable to support the law and body. Favourable laws but weaker equality policies mean that potential victims are poorly informed and supported to take even the first step in the long path to justice¹⁹⁷.*

Challenges identified by the European Commission:
As public awareness has increased, more victims have come forward with complaints in 2012 and 2013 and higher sanctions have been imposed. These complaints are not all investigated and categorised by ground. Out of the 1,496 total complaints in 2013, 589

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were investigated and 141 were identified as potential incidents of racial, ethnic or religious discrimination. No statistics exist on the number of complaints that become discrimination cases in court¹⁹⁸.

2.1 Are there movements/campaigns/initiatives in your country in favour or against the integration of third country nationals? What is your evaluation of them?

On the national political level the Hungarian government initiated a referendum on 2 October 2016 – the so-called quota referendum – to answer the following question: *“Do you want the European Union to be able to mandate the obligatory resettlement of non-Hungarian citizens into Hungary even without the approval of the National Assembly?”* The reason behind this was a burden-sharing scheme/ system for resettling migrants approved by the European Council to temporarily settle some 1,297 refugees in Hungary, that the country was expected to comply with.

Twenty-two relevant, generally recognised NGOs urged citizens to reject the government’s fear-mongering and invalidate the referendum because in their opinion the Hungarian government had unleashed a xenophobic hate campaign ahead of the refugee referendum on 2 October. According to them the referendum does not offer a solution either to the situation of refugees or the future of the European Union. It rejects solidarity with fellow human beings in plight, just like with the other European member states. It has no intention of creating a framework for peaceful coexistence. In their view the question put to referendum is pointless. No provision on compulsory «resettlement» quotas has ever been adopted, let alone discussed, in the EU. Moreover, the response given to the referendum question does not entail any specific legal consequences, nor does it make clear exactly what entitlement the government asks for from the citizens, as this has never been revealed. The accompanying campaign is to incite hatred against refugees. Its only potential consequence is the further weakening of already shattered social solidarity.

The government started its campaign in May, pasting billboards up and down the country that said: *“We are sending a message to Brussels, so that they understand it too”*. The second phase started in August on the state media and on billboards: warning of the dangers

posed by refugees, asylum seekers and other migrants banned from entering Hungary, linking migration to terrorism, supplemented with provocative photographs and animated graphics. For example: *“Did you know that since the beginning of the immigration crisis more than 300 people died as a result of terror attacks in Europe? “Did you know that Brussels wants to settle a whole city’s worth of illegal immigrants in Hungary?” “Did you know that since the beginning of the immigration crisis the harassment of women has risen sharply in Europe?”*

Anti-refugee government propaganda has increased since January 2015, when Prime Minister Viktor Orbán called for the restriction of refugee and migration laws using the occasion of the Charlie Hebdo massacre. In the last year there were two national poster-campaigns with the sole purpose of strengthening and deepening xenophobic attitudes in Hungarian society that had already been present. Besides these campaigns, the government also broadcast and published commercials of public interest in which they called attention to “the dangers” of the refugee crisis. A permanent component of the government’s communications are on the one hand allusions to all migrants as economic (existential) migrants and on the other, a blurring of the difference between the concepts of migrant, refugee, terrorist and as of late (as one of the governmental posters implies) sexual offender. Preceding but in parallel with all of the above, the government built razor wire fences on the Hungarian-Serbian and Hungarian-Croatian borders and the Hungarian Asylum Act was amended in a way that basically refused all migrants who sought asylum, fundamental services and humane treatment: the amendments allow for swift asylum procedures whereby the authorities can quickly refuse requests, ignoring the rules pertaining to non-refoulement, ignoring fundamental human rights, separating families, ignoring the special treatment of minors, etc. Apart from the UNHCR very few NGOs or charity organisations are allowed to gain access to the camps and transit zones around the borders. The circumstances in these areas are often dire and inhumane: people are left there in the open without adequate food, healthcare or hygiene services.

Our evaluation of the situation is as follows: Being on the other end of such an oppressive and overwhel-

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mingly powerful governmental communication (the public media, for example, which is available all over the country, is basically the government's communication channel), the democratic opposition is simply unable to effectively put across its views when the majority of society is already of the same opinion as the government. Apathy and political passivity became widespread in Hungarian society, especially regarding voters who are discontent with the government. This apathy puts a greater onus on the activity of civil society organisations in terms of positive messages and actions; however, these organisations do not have adequate capacity for spreading and imbedding positive attitudes due to both financial and organisational limitations. Expecting fundamental changes in society from these organisations, therefore, is both unwise and uncalled for. Their activity, furthermore, is made even more difficult by having to work in an atmosphere where the majority isn't in favour of integration and the acceptance of foreigners.

2.2 What are your recommendations to fight discrimination and to promote intercultural coexistence in your country?

We advocate for rejecting the current government stance that is based on a disbelief in the possibility of successful integration and therefore excludes developing an integration strategy for refugees altogether. We believe that the antitheses and counter-arguments of the messages of the current anti-migrant government communication should be at the foundation of such an integration strategy.

There is an urgent need to help those NGOs and charity organisations as well as civic movements whose purpose is to realise integration either through education, language classes, adult education, or job seeking.

Our recommendation includes proposing changes in the areas of the fight against discrimination, education, social housing, employment, healthcare, and the cultural sector. We specially emphasise the importance of the special treatment of minors, prioritising their interests above all. It is also necessary to educate migrants and refugees on their rights as well as their obligations.

DEVELOPMENTS IN SOCIAL PROTECTION SYS-

TEMS

1. ADEQUATE INCOME SUPPORT IN YOUR COUNTRY AS A BASIS FOR SOCIAL PROTECTION OVER THE LIFESPAN OF A PERSON TO FIGHT POVERTY AND ENSURE ACTIVE INCLUSION

1.1 Minimum income

Challenges identified by the European Commission: *Limited progress has been made to reduce the high labour tax burden on low-income earners and to improve the efficiency of the tax administration. The labour tax wedge is still high, in particular for low-income earners, which may affect their employability*¹⁹⁹. [Please note: EU date on minimum income schemes in HU date back to 2009.²⁰⁰]

Is there a minimum income scheme in your country? If yes, is the level of minimum income adequate in your opinion? Where do you see gaps and possibilities for improvement?

On national level a minimum income scheme does not exist. However a minimum income scheme on local government level was introduced in one district of the capital. Budapest's 14th district council proposed a new social welfare regulation which is a practical form of state guaranteed minimum income and will make its Hungarian debut in practice. According to the decision, from March the council will complement the income of those who make less than HUF 26,000 (€90) a month. The intention is to prevent those most at risk from sliding down to the bottom. The condition of the aid is that members of the family of active working age who are unemployed should be actively helping the recipient to find employment. Eligibility will be re-examined annually and if somebody is no longer eligible, half of the amount will still be transferred for six months. Out of 70,000 households in the district, some four thousand households are affected, and the operations will cost the city council half a billion forints (€1.8 million) a year. The money is to be found by reducing costs on the part of the district council and district institutions.

199 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_hungary_en.pdf

200 <http://ec.europa.eu/social/main.jsp?catId=1025&langId=en&newsId=1416&moreDocuments=yes&tableName=news>



One of the problems is that in March 2015, the social welfare financial benefit system changed everywhere in Hungary, in most places not for the better. Many forms of social aid simply disappeared or changed, among them support to help families pay rent or utility bills, pay down debt, buy medicine, and raise children. Benevolence on the part of local officials is also an important factor as there is no longer an obligation to systematically provide assistance to the poor. It is scheduled to be discontinued after the introduction of compulsory child day care facilities from the age of three. The system of regular welfare benefit has been changed, replacing it with a social aid to be received in the case of poor health, child-care aid, and employment-replacement aid. These will be distributed by regional offices instead of local notaries. The only compulsory element now is for each of Hungary's local councils to operate its own social aid/support welfare system. Support paid to families with pre-schoolers will not survive the new system for long either.

In the poorest settlements raising funds necessary to fund social welfare activities is impossible, and these councils can only hope for some kind of a central intervention. The poorest city councils are eligible to apply to the state for funds designated to help welfare activities in settlements whose local tax revenues are below a certain level. However, the method by which these central funds can be secured remains undefined due to a lack of special regulations.

The recommendation is firstly to recover the unitary system by means of objective criteria without subjective elements, with the total amount funded by the state and not by municipalities with different financial situations. Furthermore it is essential to increase the level of the different social support schemes.

1.2 Unemployment benefit schemes

Overview of the situation as seen by the European Commission:

The duration of unemployment benefits is the lowest in the EU and significantly shorter than the average time necessary to find a job. While the 3 months of maximum duration of unemployment benefits may enhance job search during the first months of unemployment, it may reduce it after the benefits expire. It may also force jobseekers to accept jobs that do not match their qualifications, increasing turnover and

reducing overall productivity in the economy²⁰¹.

Challenges identified by the European Commission: *Hungary's main active labour market policy is the public works scheme. Spending on the public works scheme has increased significantly in recent years. It has surpassed spending on unemployment benefits. No progress has been made to improve the adequacy and coverage of social assistance and unemployment benefits²⁰².*

What are the recent developments in your unemployment benefit schemes (e.g. decrease/increase in coverage, limitation/extension of the duration of unemployment benefits)? Where do you see gaps in the system?

The maximum duration of unemployment benefit is three months while the average time of job-seeking is 18 months. The actual duration of benefits can be less and it might not pertain to every unemployed person. An eligibility period of at least 360 days is required for such a benefit. The disbursement period is one tenth of this time. After this expires, - or in case of ineligibility-, applicants receive the so-called working age benefit, (the amount is one-third of net minimum wage). The main condition for this is cooperation with the employment centre. It can be lost if a month of registered employment is missing (e.g. through voluntary work) during a year.

Active labour market policies continue to be dominated by the public work/employment scheme. Its budget was increased by 19% to 270 billion HUF or €900 million in 2015. Despite minor adjustments in January 2015 to ensure that public works participants are granted leave if they are invited for a job interview, the lock-in effect of the scheme is likely to have increased by the rise in the public work wage and the increase in the maximum duration. A further amendment in July 2015 sought to ensure that agricultural producers looking for seasonal workers in the summer can more easily recruit public work participants, but no information is available on the effectiveness of this measure.

The public work /employment programme is com-
 201 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_hungary_en.pdf
 202 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_hungary_en.pdf



pulsory for the unemployed if the income of such work exceeds the sum of the benefit, otherwise one loses it. This is less likely in the case of the job-seeking benefit (although individual examples can occur), but in the case of the support for those of working age, it is almost certain that they have to accept it. Public workers/employees are included in the employment rate in domestic statistics, but in Eurostat it is regarded as a special, active labour policy, part of the unemployment benefit system. Workers participate in the programme only by fixed-term contract. The "public work/employment" programme is outside labour legislation, so the workers don't enjoy all their rights.

It is recommended to link the unemployment benefit system to more effective active labour market policies than the "public work/employment" programme. It is essential to provide for a longer duration of the benefit - 12 months instead of three would be more adequate, as well as to support mobility/transport (changing cities for better job), replace the labour offices with efficient job-seeking agencies and ensure mentors for job-seekers.

1.3 Pensions

Overview of the situation as seen by the European Commission:

The employment rates of older workers and the duration of working life are very low. At 49.6 % for men and 35.2 % for women the employment rates for older workers in 2014 was significantly lower than the EU average (men 58.8 %, women: 45.2 %). The duration of working life at 30.8 years is the second lowest in the EU and about 4.4 years lower than the EU average. Early exit routes were closed or narrowed in 2012, and the standard pension age is being gradually increased from 62 to 65 years by 2022 (the retirement age is not automatically linked to life expectancy). Yet, pension reforms have not been underpinned by work place and employment policies to support longer working lives²⁰³.

What are the recent developments in your pension system (e.g. increase/decrease of the retirement age, increase/decrease in coverage/level of pensions)? Where do you see gaps in the system?

In the last few years there have been no significant developments in the Hungarian pension system.

203 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_hungary_en.pdf

The mandatory social insurance pension system was reformed in 2012. Early retirement pensions have been transformed into social benefits ("benefits prior to retirement age"). Pension benefits can only be awarded after reaching the standard retirement age. Since 2011 women must have contributed for 40 years to be eligible for a full pension. This might be sustainable for the next 10-15 years in financial terms; however, following this period, because of demographic and emigration reasons, problems will arise in our country as well.

The eligibility period refers to a narrower category than the generally applied term of service time in the pension insurance system, as only the time spent performing a gainful activity and the period during which child raising benefits were dispersed qualify for the eligibility period. Another requirement is that the exact time of performing a gainful activity within at least 40 years of the eligibility period may not be less than 32 years. (In cases when five or more children are raised, this condition may be softened to 25 years.)

The tightening of eligibility for disability pensions was another fresh development in the inhumane strictness in the reduction of disability pensions. Another development was the elimination of private pension funds in 2011.

The elimination of the second pillar contributed to the reduction of public-debt-to-GDP-ratio; however, in terms of future pensions this is also a reduction.

About 600,000 pensioners (25-30%) are living under the subsistence minimum level. This might be sustainable for the next 10-15 years from a financial point of view; however, due to demographic and emigration developments, problems will arise. The solution primarily is a better functioning labour market, more jobs and fair and higher incomes.

1.4 Indebtedness of households

Overview of the situation as seen by the European Commission:

The loans settlement and the resetting of lending interest rates had a major impact on the debt servicing burden of households (a drop by about 20-25% on average), which in turn boosted household consump-



tion. Households' real incomes have been increasing for the past four years and income taxes will decrease in 2016. Nevertheless, the debt service ratio assessing the debt repayment burden of Hungarian households remains very heterogeneous and on average still high in international comparison. An average Hungarian has to spend 18% of his or her monthly income on debt repayment²⁰⁴.

Challenges identified by the European Commission: New lending to households started to grow again. The repayment burden on households is still high. Household's demand for credit is expected to grow. While credit to the SME sector increased in recent years, overall corporate lending has not seen a revival yet reflecting uncertainty²⁰⁵.

What are recent developments in the level of household indebtedness? Do you know about reasons for these developments? Are there policies in your country to target this problem? What are your recommendations to improve the situation?

In terms of residential mortgage assets an important change took place in 2015 in the form of accounting and converting foreign currency credits into forints.

The accounting measure pertained to contracts signed between 1 May 2004 and 19 July 2014 due to which various expenses claimed unfairly by monetary institutions were refunded to costumers/debtors. Sums that were either taken through a ratio spread or through unjustified increases in costs/interest rates were refunded.

Foreign currency credits had to be converted into forints at the average exchange rates. Due to the effect of this measure (refunding part of banking costs, interest rates) retail loans decreased between January 2013 and January 2016: from 31.6% to 21.7 % of GDP.

These households are generally struggling with poverty, without income and with a mortgaged property usually located in a disadvantageous region. Regular income did not exist in 38% of these households; in 37% of them the payment obligation exceeded 50% of the household's income. At the end of April 2015, in more than half of the studied cases, total debt excee-

204 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_hungary_en.pdf

205 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_hungary_en.pdf

ded the value of the credit protection. Governmental measures to decrease residential debt only brought partial results due to the situation mentioned above. Accounting foreign currency credits and converting them into HUF, as well as the beneficial interest rate environment mostly helped debtors with a higher income but it did not help those with lower incomes to become able to climb out of the trap of indebtedness. According to the results of the representative survey conducted among those with problematic mortgage credits, their feedback on the state's rescue packages showed high rates of dissatisfaction: more than two-thirds (68%) felt that the government's measures were impossible to follow and 79% did not consider the "bailout" packages to be a permanent solution to those struggling with financial difficulties.

Besides the average reduction in credit growth, another serious problem is the observable high level of debts of public utility bills. 19.4% of Hungarian residents live in a household where in the previous 12 months there had been delayed payment of utility bills; this means more than 1.9 million people. Almost half (46.2%) of those living below the poverty threshold have encountered this problem. Based on a comparison with data from 2014, public utility debts in Hungary affect, proportionately, more than twice the amount of people than the EU average.

We recommend the creation of public social-rental housing programmes, extending housing support, aid, and restructuring debts.

Introducing a general basic income system could be an advantageous reform for people with insufficient incomes.

2. PROVISIONS FOR DECENT WORK IN YOUR COUNTRY TO GUARANTEE THAT PEOPLE CAN EARN A LIVING AND AVOID IN-WORK POVERTY

2.1 Minimum wage

Overview of the situation as seen by the European Commission:

There is a strong case that the net value of the minimum wage is far too low. At the onset of the economic crisis in October 2008, the net minimum wage was HUF 56,190 (€187) a month. By 2014, this rate had increased by 18% to HUF 66,485 (€216). More important-



ly, this happened in such a way that the gross value of the minimum wage actually rose by 47% between 2008 and 2014. The gap between the net minimum wage and subsistence minimum has widened continuously. While the net minimum wage in 2008 was equal to 78.3% of subsistence minimum, the same ratio was 73.4% in 2013. Thus, the work of the lowest paid workers has been downgraded in economic terms.

In Hungary, roughly one million working people – a quarter of the employed population – were paid below the official minimum subsistence level in 2013. Hungarian trade union confederations, the Democratic League of Independent Trade Unions (LIGA) and the Hungarian Trade Unions Confederation (MASZSZ), have proposed making the net minimum wage equal to the minimum subsistence level²⁰⁶.

Is there a minimum wage scheme in your country? If yes, is the level of minimum wage adequate in your opinion? Where do you see gaps and possibilities for improvement?

The minimum wage was increased by 5.5% in 2016 (amounting to 43% of the average wage) but the net minimum wage is only about 80% of the minimum subsistence level. The gap between the net minimum wage and subsistence minimum has started to shrink due to the very low inflation rate. In previous years the gap had been widening. It would be recommended to raise the minimum wage to at least 52% of the average wage, as this would bring the net minimum wage up to the minimum subsistence level.

The response from the government and employers to trade unions' proposals was the promise to consider the trade unions' proposal on the multi-annual wage agreement, but the government has also stated that, in general, it prefers annual negotiations and agreements. The government has also announced that wages, including the minimum wage, cannot be raised faster than economic output (growth, inflation rate).

2.2 Reconciliation of work and private life

Overview of the situation as seen by the European Commission:

According to a recent Eurobarometer survey, Hungarians are among the Europeans who struggle the most to find the right balance between work and family life.

206 <http://www.eurofound.europa.eu/observatories/eurwork/articles/working-conditions-industrial-relations/hungary-working-poor-minimum-wage-and-minimum-income>

Benefit payments to families are higher than the EU average; the objective prioritized by the government is to give the right of choice for parents between child-bearing and employment, and to reduce the burdens of having children. For this reason, efforts are made to ensure that all children wished for are actually born. At 1.35 children per woman in 2013, the Hungarian fertility rate was among the lowest in Europe. Developing childcare services and new labour market incentives to help parents return to work is part of the government's strategy to tackle these issues and to implement a lasting turn in demographic trends. The principle of the Hungarian family policy is that parents should be offered the opportunity to decide if they wish to stay at home and raise their children for a longer period of time or to return to the labour market as soon as possible. Therefore, citizens are offered, on the one hand, childcare support and family support both on a normative basis and a social security basis and, on the other hand, benefits that promote return to the labour market and the development of day care for children²⁰⁷.

Challenges identified by the European Commission: Spending on family benefits amounted to 2.6% of Hungary's GDP in 2013, compared to the 3% in 2009. In general, there are two types of financial subsidies for parents with children: the subsidies that are only eligible for parents being employed, and those allowances (generally with smaller amounts) that are eligible for all parents irrespective of being employed or not.

Parents who satisfy social insurance contribution conditions (at least 365 days of employment within the last two years) are entitled to parental leave up to the child's third birthday²⁰⁸.

What are recent developments in provisions for maternity and paternity leave in your country (e.g. increase/decrease in coverage/level and duration of benefits, improvements for paternity leave arrangements)? Where do you see gaps in the system of maternity/paternity benefits? Do you see gaps that make the reconciliation of work and private life more difficult in your country? What are your recommendations to improve the situation?

A number of small adjustments to family policies may bring a modest improvement in state support for work-life balance.

The slow increase in child care capacities for children

207 http://europa.eu/epic/countries/hungary/index_en.htm

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below the age of three has continued, although at a slower pace. Recent official statistics show a 2.5 % overall increase in capacities in 2014, most of which has been provided by public nurseries. Family day-care centres have also contributed by opening new places, and also by reallocating some of the existing capacities to accommodate children aged below three. The possibility of establishing a nursery on the premises of a kindergarten has been introduced, which may facilitate the opening of nurseries especially in small towns and villages, by reducing the fixed costs of administration and catering. The earlier decision of the government to lower the compulsory age for attending kindergarten to three has now come into force and will be applied to children reaching the age of three by 31 August 2015.

Further plans have been announced to facilitate the expansion of child care facilities, mainly by making more room for co-financing of this service provision. A number of minor adjustments in the paid parental leave and tax credit system strengthen incentives to return to work and facilitate the take-up of parental leave by fathers, to reduce the financial burden of having a second or third child. Employment protection legislation has also been modified to strengthen the protection of employees on parental leave and to facilitate part time work.

Therefore it is recommended:

- Building more nurseries and kindergartens: The reasons for the imbalance between work and private life are that a significant number of workers are living in poverty or with a high risk of poverty and the general weakness of employees' rights.
- Further awareness-raising: Several experts suggest that awareness-raising activities for the promotion of men's role in the family should be initiated. The awareness-raising initiatives should address traditional stereotypes regarding gender roles.
- Need for reform of the leave system. It was frequently suggested that making adjustments to the parental leave scheme may encourage fathers to take up parental leave. Employers should be motivated to invest in family-friendly practices at the workplace. This could take the form of financial initiatives or support in the form of advice and training, which is of particular importance to small

and medium-sized enterprises, especially those that do not have human resources expertise.

- Social partners are challenged when it comes to critically assessing their own activities for gender biases. In many countries work-life balance was assessed as needing to be given higher priority among social partners. There should be a national consensus among the social partners. In order to equip them with the necessary means for championing work-life balance issues, it was suggested to provide social partners with training and tools or even to create a fund which would finance projects carried out by the social partners.
- A further focus was placed on collective agreements. Experts recommended making achievements in favour of gender equality compulsory in collective agreements (positive actions) as they can be precursors in developing new innovative practices in the field of gender equality in the workplace. As a consequence, gender issues should be part of all social partner negotiations.

3. NON-DISCRIMINATORY UNIVERSAL ACCESS TO QUALITY AND AFFORDABLE CARE, SOCIAL, HEALTH, EDUCATION AND LIFELONG LEARNING AND BASIC FINANCIAL SERVICES (I.E. ACCESS TO A BANK ACCOUNT)

Overview of the situation as seen by the European Commission:

Lack of equal access to quality mainstream education is particularly acute for Roma. With the exception of early childhood education, where there has been significant improvement in the last years, the gap has widened between the completion rate of Roma and non-Roma on all other educational levels, i.e. with respect to completion of primary, secondary, tertiary education. Early school leaving remains high among Roma (82%).

Equity in access to healthcare also remains a challenge. The gap for unmet needs between the first and bottom income quintiles is above the EU average (6.3 % for Hungary vs. 4.9 % EU average). Equity of access is further hindered by the widespread use of informal payments: 10 % of the population who visited public medical facilities in the preceding year reported having to make an extra payment beyond the official fees or offer a gift or donation²⁰⁹.

What are recent developments in the access to services in your country? Where do you see gaps (e.g.

209 http://europa.eu/epic/countries/hungary/index_en.htm



groups of people excluded from access to services, certain services not available in some regions etc.)? What are your recommendations to improve the situation?

To implement an EU Directive, Hungarian banks will introduce non-discriminatory bank accounts with basic features available to anyone from the European Union and the European Economic Area by the deadline of 15 October 2016.

The “payment accounts with basic features» must be introduced transposing the European Union’s Payment Accounts Directive into national law. The consumers are entitled to have access to a payment account with basic features whatever their place of residence in the EU or their personal financial situation.

In 2015, the government significantly restricted access to in-home support services (to be able to stay in their own home and receive assistance and help in their everyday lives, e.g. shopping, posting cheques, cleaning, hygiene or cooking) for senior citizens who newly requested it, because the threshold for means-tested benefits was doubled. According to the government’s reasoning, following the change the benefit will be provided to those whose family members or the local community cannot contribute and where there is need for external, professional assistance. Demand for nursing home care has declined because the pensions of elderly relatives are an important source of household income, therefore family members often look after elderly relatives. Furthermore, a recent decision is likely to reduce publicly financed provision of elderly care. The government decision has considerably tightened the eligibility criteria for home care of the elderly.

The standard of health care and the quality of the education system varies greatly from region to region, and depends on the level of development of regions and cities. It is a consequence of the sharp competition for a better standard of quality public welfare services which have increased inequality, and disintegrated society.

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ITALY

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INTEGRATION OF THIRD-COUNTRY NATIONALS

1. TOOLS/PROGRAMMES IMPLEMENTED FOR THE INTEGRATION OF THIRD COUNTRY NATIONALS

Overview of the situation as seen by the European Commission:

The 2007 MIPEX found that IT’s integration policies were some of the best among Europe’s major countries of immigration. While the following conservative government made statements recognising MIPEX as an assessment tool, their restrictions (e.g. 2009 Security Law) made IT’s score drop by 3 points in 2010 and lose their place in the ranking to ES, given that country’s continued commitment to integration despite the crisis. Immigrants were presented as responsible for general social problems, with debatable statistics and without evaluations of policies’ impact on integration. The current government brought IT’s score up 1 point in 2013/2014 by opening public sector jobs to long-term residents and opening this status to beneficiaries of international protection, as part of their respect of EU law²¹⁰.

Challenges identified by the European Commission: *Although IT’s integration policies have not changed much over the past 10 years, the reality of its immigrants have changed as many are settling in IT, with immigration now a permanent part of IT society. Reviewing IT’s policies in 8 areas, the conditions are only halfway favourable for integration, with IT ranking 13th, behind PT/ES and recently DE. IT has achieved the 1st step towards legal integration and equal rights, but now the harder 2nd step remains to achieve equal opportunities in practice²¹¹.*

1.1 Are there specific integration policies implemented in your countries by the national, regional and local level? Which categories of third country nationals are they addressing (e.g. refugees, beneficiaries of family reunification, economic migrants, unaccompanied migrant minors)?

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2008 -2014: foreign population in Italy

	2008	2014
Resident population	59,000,586	60,795,612
Of which foreigners	3,402,435	5,014,037
Foreigners % out of total population	6.5%	8.2%
Of which women	50.2%	52.7%
Born in the year	72,472	75,067
Enrolled in school	628,937	814,187
Citizenship acquisition	53,696	129,887

Source: Dossier Statistico Immigrazione, 2015

According to the “*Statistical Dossier on Immigration, 2015*” the main characteristics of the situation facing refugees and third country nationals are: the progressive growth of the population; an increase in integration processes (citizenship, school enrolment, number of employees, etc.); increased difficulties in overcoming discrimination; difficulties in providing an adequate hospitality system.

In 2014, over 170,000 people landed on the Italian coasts. They were mainly asylum seekers, although among them there are also so-called «economic migrants», people fleeing extreme poverty. The number of landings and the number of deaths (3,181 in the first six months of 2016) in the Mediterranean is growing. According to UNHCR data, between 1 January and 31 July 2016, 256,319 people landed in Europe, of whom 160,232 (62.5%) were in Greece and 93,611 in Italy.

In 2014, 64,625 asylum seekers were recorded in Italy (the trend was the same even in 2015). They were mainly from sub-Saharan Africa (Nigeria 10,135; Mali

9,790; Gambia 8,575; Senegal 4,675), but many also came from Asia (Pakistan 7,150; Bangladesh 4,535 and 3,120 Afghanistan) and from Europe (Ukraine 2,800).²¹²

The Italian reception and integration system for applicants and migrants, who are already beneficiaries of international protection, is complex and is divided by levels. It includes: first assistance and welcome centres (CPSA); hospitality centres for asylum seekers (CARA); temporary accommodation facilities (CAS); hospitality centres for unaccompanied minors; centres - strongly requested by the European Commission - for identification and taking migrants fingerprints (HOTSPOT); identification and expulsion centres, where third country nationals are held waiting to be escorted to the border (CIE).

The SPRAR project (Protection System for Refugees and Asylum Seekers) is the example of best practice in the integration system: they are a network of second step hospitality centres for applicants and beneficiaries

212 Dossier Statistico Immigrazione, 2015.



of international protection (asylum seekers, refugees). They are therefore not aimed at immediate assistance for disembarked people, but at their integration. The SPRAR, which are run by non-profit associations or social cooperatives, have two main objectives: provide assistance and protection, and foster the migrants' integration process through the acquisition of autonomy and through a process of empowerment. «Each person is helped to (re) build his/her capacity to choose, and (re) acquire the perception of his/her value, of their potential and opportunities».²¹³ This is to be achieved through services as: health care, multicultural activities, Italian language lessons, linguistic mediation, knowledge of fundamental rights (social, labour, health) and efficient public administration.

After a period spent in the SPRAR migrants are helped to settle, in groups of no more than 15 people, in small towns all over the country. The migrants' integration projects include: the hospitality of single and / or families in apartments or in collective centres, participation in sports and volunteer activities to promote integration in the local communities. The number of migrants welcomed in SPRAR has grown from 7,823 in 2012 to 12,961 in 2014. However, in June 2015, only 25% of the 8,000 asylum seekers and people entitled to international protection were located in this network, while 62% were living in others temporary centres.

In Italy, several problems hamper the integration of migrants, including asylum seekers:

- the long period of time asylum seekers and migrants spend in SPRAR, CARA, CPSA, CAS, HOTSPOT;
- inadequacy and insufficiency of cultural mediation services within these centres;
- the difficulty in finding local authorities (municipality or regional governments), which have the capacity and the political will to give hospitality to migrants and promote their integration in the local community and labour market.
- illegal speculative interests of some of the ope-

213 «Manual for the activation and management of care services and integration for applicants and beneficiaries of international protection) http://www.pratomigranti.it/index.php?pos=1&id_sezione=177&id_lingua=2

rators which work with migrants, as has been demonstrated by Italian magistrates.

The Italian government has not launched a National Plan for the integration of "economic" migrants and beneficiaries of family reunification. Municipalities, on their own initiative and within their budget, finance projects in collaboration with voluntary and non-profit associations, NGOs, and social cooperatives. At local level, migrants and asylum seeker integration is mainly entrusted by local authorities to third sector organisations (Auser, Arci etc.), which operate through projects that are self-funded or partially funded by the municipalities and European Social Funds. Since integration policies are local, the integration outcome is very different across the country.

The Italian unions (CGIL, CISL and UIL) have always been very active in promoting the integration of migrants. The unions fight to ensure the equality of social and labour rights. In particular, unions have always asked the government to extend all social services and allowances (child allowances, social card, etc.) to third country nationals. Moreover, unions are very active in checking that employers apply equal labour rights and national contracts to migrants. In 2015, the European Court of Justice upheld the unions' appeal and compelled the Italian government to abolish the migrant tax (which ranged from 80 to 200 Euros).

Greater investment and a national policy are also needed to help the Roma population (6 million people in the EU and between 120,000 and 180,000 in Italy, 60% of whom are minors). Most of them live in difficult health and social conditions in camps. Although it is estimated that there are about 70,000 Roma children of compulsory school age in Italy, only 12,437 (2014/2015) are enrolled in elementary and middle school.

1.2 How are EU funds for asylum, migration and integration (AMIF) allocated in your countries? Which categories of third country nationals are they addressing (e.g. refugees, beneficiaries of family reunification,



economic migrants, unaccompanied migrant minors)?

Italian national and regional authorities actively use EU funds for asylum, migration and integration. The projects are managed (through the Home Office) in co-operation between local authorities (municipalities and regional governments) and third sector organisations (non-profit and voluntary associations, NGOs, social cooperatives).

On 3 August 2015, the European Commission approved the Italian National Programme for Asylum, Migration and Integration, which covers the period 2014-2020.

This National

Programme has been allocated €630,711,554.00, of which €315,355,777.00 is the European funds contribution, while €315,355,777.00 is co-financing from the Italian Ministry of Economy.

This programme aims at three specific target groups/users:

1. Asylum seekers,
2. Integration and legal migration,
3. Repatriation.

The programme intends to pursue the following goals:

- To broaden language training services for migrants through specific regional plans. €24 million have been allocated to the «Regional plans for the language education of third country nationals», through the network of provincial centres for adult education (CPIA);
- To improve the educational qualifications of third country nationals;
- To improve the system of care for unaccompanied foreign minors;
- To improve access without discrimination to all services offered in the territory;
- Coordination between employment policies, first response - welcome services and integration policy.

1.3 Are NGO's involved by national and local authorities in the development and implementation of integration programmes? In particular, are NGOs

consulted on the allocation of EU Funds for integration programmes (e.g. AMIF)?

Law 286/1998 established the "Consigli Territoriali" (Local Councils) within the Prefectures (local offices of the Home Office), in order to consult unions, non-profit associations, NGOs, local public health authorities and representatives of municipalities on the allocation of EU Funds for first assistance and integration programmes. In addition, each Ministry can set up national or local committees to deal with emergency situations. Experts and non-profit associations active in the field of migration are involved in these Committees with consultative powers.

2. DISCRIMINATION AND INTERCULTURAL COEXISTENCE

Overview of the situation as seen by the European

Commission:

The level of racial/ethnic and religious discrimination in IT was slightly above the EU average in 2012 (4.2%). In IT, 5.3% of people felt that last year they had been discriminated against or harassed based on their ethnic origin (3.3%) and/or religion/beliefs (2%). These numbers are similar to several other Western European countries (e.g. AT, FR, UK). IT's anti-discrimination laws are below average for Western Europe because victims of discrimination only get support from IT's weak equality body and policies, weaker than in all MIPEX countries, except JP and IS²¹⁴.

Challenges identified by the European Commission:

The number of discrimination complaints to the equality body (UNAR) is the one available indicator of how often people report discrimination, given that other types of discrimination cases are not recorded by IT courts. In 2013, UNAR received just 812 requests for help from potential victims of discrimination based on racial/ethnic origin (784) or religion (28). Few complaints are made compared to the large number of people reportedly experiencing incidents of racial/ethnic or religious discrimination. Hardly any complaints seem to be made across Europe, especially in countries like IT with new anti-discrimination procedures and very weak equality bodies. Only about one potential victim reaches UNAR for help out of the estimated 3000+ potential victims of racial, ethnic and religious discrimination. IT, like most countries, has not even taken the first steps to properly enforce and resource their anti-discrimination laws in order to guarantee the

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same access to justice for potential discrimination victims as they do for victims of other crimes and illegal acts²¹⁵.

2.1 Are there movements/campaigns/initiatives in your country in favour or against the integration of third country nationals? What is your evaluation of them?

The main Italian civil society campaign against all forms of racism, xenophobia and discrimination is «Italia Sono Anch'io».²¹⁶ The campaign is promoted by 22 civil society organisations (unions, NGO's, non-profit associations, volunteering). It aims to raise public awareness and ask political parties and the European institutions to carry out policies in favour of migrant rights. The campaign is based on a regional and local network. At the base of its policy initiatives (conference, signatures collecting) are ten requests to change Italian and European policy guidelines on immigration and asylum:

1. Ratification of the UN Convention of 18/12/1990 «On the Rights of Migrant Workers and Members of Their Families».
2. The right of migrants to vote in administrative and European elections.
3. The recognition of European citizenship.
4. To ensure the right to arrive in Europe legally.
5. Migration policies to actively promote the integration of foreigners into the labour market.
6. Ensure migrants' personal freedoms and close the centres for identification and expulsion (CIE).
7. Migrants' right to a dignified first assistance and hospitality.
8. To ensure migrants' equal access to welfare systems.
9. To free the public debate of xenophobia and racism.
10. Protection of migrant children's rights.

2.2 What are your recommendations to fight discrimination and to promote intercultural coexistence in your country?

Migrant first assistance and hospitality

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Many representatives of non-profit associations, NGOs, unions, intellectuals and journalists have requested the closure of the Identification and Expulsion Centres (CIE). They are mandatory detention centres, in which migrants who are not entitled to stay in Italy await to be expelled from the country and to be compulsorily accompanied to the borders. The CIE were established by law (Law 40/1998) and their existence is demanded by the European Union as well as the new structures called HOTSPOTS. Parliamentary and journalistic investigations have denounced the poor conditions, the inhumanity, and the failure to respect the human rights of third country nationals who live in CIE. It is well demonstrated that these centres do not reduce illegal immigration, but rather push migrants to desperate acts (suicide, escape).

The CIE, in which migrants can be detained up to 18 months (but often for a much longer period), should be closed and the entire policy on migrant "flows" in Italy should be reformed with EU support. For many years now Italian governments have not indicated, by law, the number of economic migrants who can settle and work in Italy. The Campaign "Italia Sono Anch'io" and the CGIL (Confederation General Italian Workers) claim the right of third country nationals to arrive in Europe without risking their life.

In particular, it is urgent and necessary:

- to extend and harmonise the different laws governing entry into the European Union for work purposes;
- to reform the Dublin III regulation removing the requirement to submit an application for asylum in the first country of arrival;
- to open a secure channel of entry into Europe for people in need of international protection.

Citizenship and right to vote

About 15% of new-borns in Italy have foreign parents, a phenomenon that the Italian government cannot continue to ignore. Children who are born in Italy of foreign parents, even if they do live in Italy, do not have



the same rights as those born to Italian parents. The government should grant immigrants' children who are born and reside in Italy Italian citizenship, introducing in our country the principle of «jus soli.» In this regard, the Campaign "L'Italia Sono Anch'io" collected thousands of signatures of Italian citizens to submit to the Parliament two proposals for "Laws of popular initiative". The first law aims to establish the «jus soli», the right of children to be Italian citizens if they are born in Italy, even if their parents are foreigners. The second law aims to establish the right of foreigners who have lived in Italy for five years to vote in local elections.

Decent work and employment

The Italian government should invest more resources in combating the phenomenon of foreigners in undeclared work. As a first step, the Ministry of Labour should employ a greater number of labour inspectors to check if foreigners are employed under decent working conditions.

According to ISTAT (National Institute of Statistics) data, 2.294 million third country nationals were employed in Italy in 2014, out of a foreign population of over 5 million. However, INPS (Social security Institute²¹⁷) data show that, in Italy, a high proportion (nearly 50%) of non-EU citizens, even if they have a residence permit, work in the black economy. Moreover, the majority of foreign workers, without a residence permit, are employed in the black market.

Some regions of the South of Italy (mainly Calabria and Puglia), pursue the old and illegal system of recruiting third-country national farm hands. This system of hiring is called "caporale" (boss): the farm workers are obliged to grant to an intermediary a percentage of their daily wage.

On 18 October 2016, after many years of insistent and peremptory union requests, the Chamber of Deputies approved a Law to fight and punish illegal hiring. This Law is an important step forward, providing the

217 www.inps.it

penalty of imprisonment, from one to six years, for the illegal intermediary (so called "caporale") and the employer who exploits the workers, taking advantage of their need.

DEVELOPMENTS IN SOCIAL PROTECTION SYSTEMS

1. ADEQUATE INCOME SUPPORT IN YOUR COUNTRY AS A BASIS FOR SOCIAL PROTECTION OVER THE LIFESPAN OF A PERSON TO FIGHT POVERTY AND ENSURE ACTIVE INCLUSION

1.1 Minimum income

Overview of the situation as seen by the European Commission:

Social services are too fragmented to tackle effectively the social consequences of the crisis. The share of persons at risk of poverty or social exclusion was 28.3 % in 2014, slightly down from 28.5 % in 2013. The rate is still higher than pre-crisis levels (25.5% in 2008) and showing no progress towards the Europe 2020 target on poverty reduction. The provision of social services is fragmented with deep regional disparities and there is no minimum income scheme²¹⁸.

Challenges identified by the European Commission:
Poverty levels are high – more than a quarter of Italians are at risk of poverty or social exclusion – and the provision of social assistance remains weak and fragmented. Adopting and implementing the national antipoverty strategy and rationalising social spending could be first steps towards a gradual roll-out of a minimum income scheme at national level in an overall budgetary neutral way.

Is there a minimum income scheme in your country? If yes, is the level of minimum income adequate in your opinion? Where do you see gaps and possibilities for improvement?

In Italy, 1.582 million families (4.598 million people) are living in absolute poverty and the poverty rate is growing. Signs of economic decline can be observed

218 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_italy_en.pdf



especially among families who live in big cities (from 5.3%, in 2014, to 7.2%, in 2015) and - due to workers who lose their jobs in adulthood – among those between 45 and 54 years old, from 6.0 % to 7.5%²¹⁹. About two and a half million children and adolescents, especially in southern Italy, live in conditions of economic and social deprivation.

For many years, non-profit associations and unions (CGIL, CISL, UIL) have been demanding a National Plan Against Poverty and a minimum income for all people in extreme economic need. In 2015, the government tested the Social Card, which provides limited economic support for the long-term unemployed, in 12 major cities. The Social Card could be used to buy food worth between €231 and €404 a month. The duration of the social card was limited (12 months) and the amount depended on the number of family members.

The Social Card has not been very effective in tackling poverty for three reasons:

- it was very limited geographically, in social categories, and in duration;
- the economic support was not integrated with social services such as job seeking, training or retraining;
- the complicated application procedure to obtain the economic support prevented many people from obtaining the Social Card.

At the beginning of 2016, the government launched a new national measure, the SIA (Active Inclusion Support): all Italian citizens, EU citizens and third country nationals with a residence permit can apply for the SIA. But they must have minor children, or a disabled person, or a pregnant woman in the family and a yearly income below €3,000 to be eligible.

However, even for this latter initiative, resources are insufficient and although more money is to be allocated in 2017, data shows that with these limited resources not all people who live below the poverty line will be able to get income support.

219 [ISTAT www.istat.it](http://www.istat.it)

On 11 November 2013, unions, dozens of non-profit associations, NGOs and local authorities such as the Conference of Regions set up “*The Alliance Against Poverty*”²²⁰. This Alliance aims to put a stop to the experimental and local measures against poverty and calls for a National Income Support scheme as a basis of social protection for all people living in absolute poverty.

The Alliance has submitted to the government its proposal of income support, the REIS (Social Income Inclusion)²²¹.

REIS features:

- amount: the difference between family income and the Istat threshold of absolute poverty;
- the amount of income support must vary according to the cost of living in the different areas of the country;
- provision of services for psychological and social distress;
- support for job seeking or to attend training or retraining.

The “Alliance Against Poverty” provided documentary evidence that the social inclusion income for all people in extreme poverty will cost about €7 billion.

On 15 July 2016, the Chamber of Deputies enacted “*Delega recante norme relative al contrasto della povertà, al riordino delle prestazioni e al sistema degli interventi e dei servizi sociali*”²²². For the first time in Italy, a government has introduced income support. Now this law must be approved by the Senate and, then the government will establish the implementing regulations.

The beneficiaries of this income support will be families with minor children, or severe disabilities, or women who are pregnant or unemployed and over 55 years old. The new inclusion income will be paid up to the maximum of €320 per month and will be funded through the «*Fund against poverty and social exclu-*

220 www.redditoinclusione.it

221 <http://www.redditoinclusione.it/cose-il-reis/>

222 http://www.governo.it/sites/governo.it/files/testo_15.pdf



sion» and through the national budget.

This law, which is not in force yet, is an important step forward. However, there are still several gaps and possibilities for improvement:

The income support is below the absolute poverty line;

- The income support is limited to some social groups (mostly families with long-term unemployed). For example, young poor workers and third country nationals are excluded;
- In 2016-2017, the budget will amount to 1.6 billion. The Alliance Against Poverty calculated that there is not enough funding and only 30% of people in extreme economic need will get income support - about 1.3 million people, out of 4.598 million.
- The "Fund against poverty and social exclusion" is financed by the annual budget. That does not allow for long-term planning to tackle growing poverty.

1.2 Unemployment benefit schemes

Overview of the situation as seen by the European Commission:

The higher degree of flexibility in the labour market is complemented by more comprehensive unemployment benefits and assistance. In particular, the Jobs Act extended the coverage and duration of previous unemployment insurance and revised the conditionality and activation modalities. Unemployment benefits are now more inclusive, have a broader coverage and last longer. The unemployment assistance scheme (ASDI), initially envisaged as temporary, has now been made permanent. The unemployment assistance scheme will provide six months' coverage for persons coming out of the unemployment benefit scheme, who are aged over 55 or have children, and whose household income is below a certain threshold. The unemployment benefits and assistance are to be complemented by social inclusion assistance that

*would tackle poverty*²²³.

What are the recent developments in your unemployment benefit schemes (e.g. decrease/increase in coverage, limitation/extension of the duration of unemployment benefits)? Where do you see gaps in the system?

In 2015, the "Jobs Act" (D.Lgs. 151/2015) extended the coverage of the pre-existing unemployment insurance and introduced the New Unemployment Insurance Scheme (NASPI). This unemployment scheme is calculated as a percentage of social security contributions paid over the last four years. It lasts up to 24 months (by 2017 it will last 18 months) for a monthly amount not exceeding €1,300.

However, the calculation of NASPI leads to much lower monthly payments, mostly under the poverty line. Mainly for two reasons: First, it is paid for a number of weeks equal to half of the weeks of social security payments in the last four years; second, after the fourth month it declines by 3% per month.

The so called "Jobs Act" also introduced an additional unemployment benefit (ASDI) which is an experimental measure that will last till 2019. It is restricted to workers who, after having taken advantage of NASPI, are still unemployed and are over 55 years old. The amount of ASDI is 75% of the last unemployment insurance (NASPI) up to a monthly maximum of €448.52. This amount may be increased according to the number of children up to a maximum of monthly €163.82 (in the case of four children). An unemployed person who receives the ASDI has to be available to participate in training and retraining courses, and has to accept job proposals from the Employment Offices.

People must apply exclusively electronically on the website of the Social Security National Institute²²⁴. ASDI applications must be submitted by the thirtieth day following the end of the NASPI. The application

223 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_italy_en.pdf

224 www.inps.it



forms are accepted in chronological order according to the amount of the fixed budget.

The gaps in the Italian unemployment insurance system are basically the following:

- The exclusion of workers with non-standard contracts, which account for the majority of young workers' contracts: collaboration contracts, on-call, voucher.
- The short-term coverage of the unemployment insurance and the low amount of the allowance, which is below the poverty line.

1.3 Pensions

Overview of the situation as seen by the European

Commission:

In 2013 Italy spent more than any other large Member State on pensions as a share of potential GDP. This pattern worsened significantly over the crisis, with pension-related expenditure increasing by 1.5 percentage points of potential GDP over 2007-2013. As opposed to pension expenditure, in 2013 other social transfers (e.g. unemployment benefits, disability and sickness benefits) still represented a significantly lower share of Italy's potential GDP (below 5 %) than in any other big Member State except Spain, despite the increase (by 0.6 percentage points) registered over the crisis years²²⁵.

What are the recent developments in your pension system (e.g. increase/decrease of the retirement age, increase/decrease in coverage/level of pensions)?
Where do you see gaps in the system?

In 2016, the Italian population decreased for the first time (- 139,000 people). In 2015, 488,000 births were registered (-15,000). 21.7% of the population were 65 years or older.

The demographic dynamic is creating a growing «demographic debt» to future generations in terms of social security, pensions, health care spending and assistance. In Italy, the aging index is the highest in Europe, with 157.7 seniors for 100 young people between 0-14 years.

²²⁵ http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_italy_en.pdf

In 2015, the National Social Security Institute pointed out that 18 million pensions were paid by the State, of which 9.3 million were retirement pensions and seniority, 3.8 million were survivors pensions, 1.1 million disability pensions, and 3.7 million assistance pensions (civil disability, social allowances, etc.).

In 2014, retirees received on average a pension income of about €13,647 per year (about €1,140 per month), an amount close to the poverty line.

52.9% of pensioners were women and on average they received pensions of €6,000 less than those of men. Today again, almost half of Italian pensioners receive a monthly allowance of less than €1,000 and one out of 10 does not even reach €500 per month.

A report²²⁶ shows that the Italian pensions are the most taxed in Europe. On a €1,500 monthly pension one pays €4,000 Euro of taxes per year, compared to €1,800 for a Spanish pension, €1,000 for a French pension and €40 for a German pension.

These figures explain the specific characteristics of the Italian pension system:

- The Italian pension income is among the lowest in Europe: an inadequate amount compared to the cost of living;
- No economic distinction is made between the social security system and the social pension system. That means that the calculation of welfare spending makes both the pension system and the social services system look too expensive.
- An aging population.

In 2011, the government introduced an important pension reform. The new framework Law 92/2012 raised the retirement age of men and women and introduced a biannual recalculation mechanism of the retirement age linked to increasing longevity.

In 2016, based on that calculation, the retirement age is 66 years and 7 months for men; 65 years and 7 months for women (public employees) and 66 years and 1

²²⁶ www.confesercenti.it



month for self-employed women. In 2021, the retirement age will rise to 67 years and 2 months for both men and women. In 2050, it will be 70 years.

The government has launched an experimental “opportunity”, the Early Retirement Scheme (APE), which is strongly criticised by unions. From 2017, for 2 years, 63-year-old workers could take early retirement (3 years and 7 months in advance), but their pensions will be reduced by 20-25%.

Currently there is an ongoing discussion between the government and the unions. The unions are calling for investment of €2.5 billion to fund:

- increases in low income pensions;
- earlier retirement for workers in strenuous jobs;
- simplifying the reunification of pension contributions paid to different social security institutions.
- greater flexibility in the retirement age between 62-70 years.

After many meetings, the government has committed to increasing the lowest pensions (only the ones which are below €1,000) and to simplifying the reunification of pension contributions paid to different social security institutions.

1.4 Indebtedness of households

Overview of the situation as seen by the European Commission:

In Italy loans to (consumer) households are of significantly better quality, with a gross nonperforming loan ratio of only 10.4 % in June 2015. The total stock of bad loans relating to (consumer) households amounted to EUR 37 billion in December 2015, up from EUR 9.1 billion at the end of 2008. The system seems more accurate than in the past: for instance, the number of households reporting no capital income decreased sharply compared with the old system (from 73 % to 24 %)²²⁷.

What are recent developments in the level of household indebtedness? Do you know about reasons for these developments? Are there policies in your country to target this problem? What are your recommendations to improve the situation?

²²⁷ http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_italy_en.pdf

The debt of Italian families is a complex issue and it must be analysed from different points of view.

As in all the main industrialised countries, since the beginning of the crisis, the Italian middle class has been in economic difficulties and has been shrinking, but its savings remain one of the highest in the world.

However, 40.2% of low-income households are not able to deal with an unexpected €800 expense. And 14% of households with a mortgage are struggling to pay it. In winter, 18% of households are likely to experience problems in paying heating bills²²⁸.

Since 2011, due to banks’ willingness to narrow down access to loans, households have adopted more measured economic behaviour. This has encouraged savings. In fact, between 2011 and 2014, households’ bank deposits registered a growth of +15.8 percent.

In essence, lack of confidence and fear of worsening economic conditions have affected the economic choices of households. Fewer purchases, less investment and more savings, with obvious damage to the commercial and craft activities. Nevertheless the «average indebtedness» of the families derives from: loans for the purchase of a dwelling; loans for the purchase of a car and, in general, of goods (consumer credit) as well as funding house renovation.

In particular, according to the annual Report of the Bank of Italy (surveys on household budgets), during the crisis, Italian families have reduced their propensity to borrow, although they have recorded progressively greater economic difficulties. This occurred mainly due to the sharp rise in unemployment and the insufficient supply of credit conditions, in particular, in terms of passive burdens and restriction of delivery criteria.

Instead, low income households (absolute and relative poverty) have increased, and not decreased, their

²²⁸ National Union collecting debt company



demand for consumer credits.

In 2014, Italian households were in debt for a «national average» amount of €19,108. Overall, the debt accumulated by banks and by credit institutions amounted to €493.3 billion. Since 2014, the average national household debt has grown by +34.2 percent, although after the maximum peak reached in 2011 (€506.2 billion) exposures have fallen steadily.

The regions most burdened by debts are those that have the highest levels of income but, in these areas, indebted households belong to the weakest social classes. The higher incidence of debt income is found in families who are economically weaker, namely those at risk of social exclusion²²⁹.

The Bank of Italy underlines the problem of rising inequality in the crisis, caused by expansionary monetary policies in the absence of equally expansionary fiscal policies²³⁰.

2. PROVISIONS FOR DECENT WORK IN YOUR COUNTRY TO GUARANTEE THAT PEOPLE CAN EARN A LIVING AND AVOID IN-WORK POVERTY

2.1 Minimum wage

Overview of the situation as seen by the European

Commission:

All government delegations were translated into implementing acts in 2015, with the exception of that concerning the introduction of a statutory minimum wage. However, the full implementation and effectiveness of labour market policies may prove challenging²³¹.

Challenges identified by the European Commission:

Italy has a specific tradition of collective bargaining as the rules concerning negotiation and structure of contracts are not set by a specific legislation, but by framework agreements valid only for the signatories parties, which can be, but not necessarily are, signed by all trade unions. There is no minimum wage set by

229 CIGIA Mestre

230 Annual Report Bank of Italy, 2015

231 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_it-ly_en.pdf

law²³².

Is there a minimum wage scheme in your country? If yes, is the level of minimum wage adequate in your opinion? Where do you see gaps and possibilities for improvement?

In Italy, the minimum wage is not established by law, but historically through bargaining. It is fixed in the national labour contracts by category (industry, services and trade, etc.) between the employer and the union confederations. This minimum wage is a sort of so called “contractual” minimum wage. In each of the 400 national labour contracts, the amount of the minimum wage can be different. Indeed, in the Italian industrial relation system, the economic value of the minimum wage depends on the bargaining power and on the productivity of the sector.

However, only about 80% of workers are protected by a national contract, while the remaining 20% (especially atypical workers and small and workers in medium enterprises) are likely to have a salary lower than the contractual one²³³. As in other European countries, in Italy unions have many difficulties in associating these workers and organising national contractual bargaining for them.

The data show that in Italy the number of working poor is increasing. Many are young workers, who are employed with atypical contracts: on-call jobs, temporary work, collaborations, and vouchers.

In 2011, about 6.5 million people - more than 10% of the Italian population - were in severe economic difficulties, even though they had a full-time job²³⁴.

In 2014, the government expressed the intention to establish by law a minimum wage for all workers. The measure was due to have been launched in the general labour reform (Jobs Act, Law 183/2014) and the minimum amount of wages should have been fixed between €5 and €7 Euro.

232 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_it-ly_en.pdf

233 Eurofound

234 Claudio Lucifera Bocconi University, Milan



Minimum wage in the national labour contracts (in Euro)		
Sector	minimum/hour	minimum/month
Clothing	6,60	1.141,33
Agriculture	7,13	1.204,84
Tourism	7,17	1.233,16
Metalworking	7,32	1.266,57
Construction	7,59	1.313,23
Food	8,21	1.420,78
Credit	11,11	1.800,52

(Source: *Il Sole 24 Ore*, 2013)

The government's proposal was not well received by either the unions or the employers' confederation (Confindustria). According to the CGIL (the Italian union with the largest number of members), the proposed minimum wage was far below the "contractual" minimum wage (the minimum wage which is set by the employers and trade unions in the national contracts). According to CGIL, the entrepreneurs would have been encouraged to tear up the national contracts and apply the lower legal minimum wage. Giorgio Squinzi, president of Confindustria, declared that the government's proposal was already outdated by national contracts. At the end of this public debate, when the parliament approved the Jobs Act, the minimum wage was cancelled.

Between 9 April and 1 July 2016, CGIL collected 1.1 million citizens' signatures in support of a Popular Law Initiative «La Carta dei Diritti». This law aims to fully extend labour rights (fair salary, training, minimum wage etc.) to all workers, including those who are em-

ployed with atypical contracts.

This Popular Law Initiative is supported by the request to hold three referenda aimed at:

- the abolition of voucher work;
- the reform of the Procurement Law;
- reinstatement in case of unlawful dismissal.

2.2 Reconciliation of work and private life

Overview of the situation as seen by the European Commission

The limited provision of childcare and long term care also has a negative impact on carers' participation in the labour market. A recent study shows that around 14 % of mid-life working women in Italy, with care responsibilities, have reduced or given-up labour-market participation due to reasons related to coping with



*informal care for their parents*²³⁵.

Challenges identified by the European Commission:

*The limited availability of affordable care services also hampers participation in the labour market by women with children and elderly relatives*²³⁶.

What are recent developments in provisions for maternity and paternity leave in your country (e.g. increase/decrease in coverage/level and duration of benefits, improvements for paternity leave arrangements)? Where do you see gaps in the system of maternity/paternity benefits? Do you see gaps that make the reconciliation of work and private life more difficult in your country? What are your recommendations to improve the situation?

In Italy, women have a crucial role as care-givers for children and older relatives in the family. The employment rate of mothers with children under three years is among the lowest in Europe, at 54%. Due to the rigidity of contractual working schedules, women are often faced with an ultimatum: either work full time or not work at all. In fact, part-time and flexibility in working time are not widespread because they are not appreciated by entrepreneurs. Less than 30% of mothers with preschool children have a part-time job. Furthermore, reconciling working life and motherhood is particularly difficult because of the limited supply of public nurseries and kindergartens. Only 29% of children under three years attend a public nursery. Istait pointed out that 4 out of 10 women interrupt their work to look after their children.

In 1971, the first law to protect motherhood was enacted. It established maternity leave and prohibited the dismissal of working mothers until their children are one year old. Since then, several laws have improved the right to maternity leave. In 2001, parental leave was reformed and improved. Currently, maternity leave is mandatory. It consists of five months of

²³⁵ http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_italy_en.pdf

²³⁶ http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_italy_en.pdf

absence from work. Two months before the expected date of childbirth and three months following the birth itself (Legislative Decree no.151/2001). Parental leave can be improved by national and enterprise work contracts.

Paternity leave is the major innovation of the Legislative Decree no. 151/2001. The father has the right to take time off work instead of the mother in the following cases:

- Death or serious illness of the mother;
- Abandonment by the mother;
- Exclusive reliance of the child on the father.

Currently, women are entitled to a daily allowance up to 80% of salary for the entire period of the compulsory leave (five months) and a daily allowance up to 30% of salary for the entire period of optional leaves. However, the total length of maternity leave must not exceed ten months. The optional parental leave is used predominantly by women. It concerns one out of two working mothers. Only 6.9% of fathers use optional parental leave.

In 2015, there was important progress in the right to reconciliation for all types of worker contracts. A law related to the Jobs Act ("Reconciliation measures of care, life, work", D.lgs 80/2015) has established more coverage, durability and flexibility in maternity leave for women and men who work with atypical contracts. Unfortunately the funding of this law is experimental and limited in time (2015-16).

New work/life reconciliation - main features (D.lgs 80/2015):

- Two days of compulsory parental leave for fathers within five months after the birth of the child;
- Parental leave in hours instead of days. The working mother has the right to a daily number of hours to care for her child. The employer must be informed five days before;
- Until the child is twelve years old, parents can ask for additional parental leave (maximum ten months), with 30% of salary with children up to the age of six years. From six years onwards, parental



Italian welfare system: institutional competences and responsibilities

Subject	Competences
State	Provides economic support (social pensions, allowances, benefit, etc.) for disability, childhood, poverty, etc. Through the Budget Law the State funds the national Funds for social policies, which are used by Region and Municipalities to provide health and social services.
Regions	Plan, manage and fund the social and educational services.
Municipalities	Plan, manage and fund the social and educational services.

leave is unpaid. The rule also applies to adoptive parents.

3. NON-DISCRIMINATORY UNIVERSAL ACCESS TO QUALITY AND AFFORDABLE CARE, SOCIAL, HEALTH, EDUCATION AND LIFELONG LEARNING AND BASIC FINANCIAL SERVICES (I.E. ACCESS TO A BANK ACCOUNT)

Overview of the situation as seen by the European Commission:

The provision of social services is fragmented with deep regional disparities and there is no minimum income scheme. In recent years substantial investments in childcare were made, in the school year 2012/2013 as a national average, only 13.5 % of children between 0-3 years old had access to crèches managed or financially supported by local authorities (i.e. municipalities)²³⁷.

What are recent developments in the access to services in your country? Where do you see gaps (e.g. groups of people excluded from access to services, certain services not available in some regions etc.)? What are your recommendations to improve the situation?

237 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_italy_en.pdf

The Italian welfare system is based on three different institutional levels of competences and responsibilities: national, regional, local.

The Italian welfare state is based on three public pillars: the pension system, healthcare system, social and educational services. The latter are planned, managed and funded by municipalities, which, within their budgets, deliver social and educational services to citizens and third country nationals.

Even today, there are no clear and transparent national criteria regarding quality of and access to social services throughout the country. This situation leads to territorially fragmented and unbalanced access to social services for citizens.

In 2000, a new framework law «Implementation of the integrated system of interventions and social services» (Law 328/2000) provoked an extensive change in the Italian social services system. This law has aroused expectations and hopes. For the first time, a law imposed some national uniformity in the social services system.



Social and educational service in Italy (2000-2013)

2003-2009	Steady growth of expenditure in social services. Up to 6% average per year. From 0.3% to 0.42% of GDP.
2010-2011	Expenditure stabilisation. Annual increases ranging from 1.0 % to 1.5%.
2012-2013	In 2012, expenditure decrease, - 13%, compared to 2011.
<i>Source: Istat Report, 2016</i>	

The key features of that law are:

- To establish essential national levels concerning the standard, quality and diffusion of social services (LIVEAS). Unfortunately, even today, the State has not implemented the LIVEAS, and consequently the fundamental part of that law is still not being applied. Also for this reason, quality of and access to social services are not yet homogeneous over the country;
- Participation of non-profit associations and unions in the local planning of social services provision;
- Greater integration between social services and the health system;
- The building of a fully national social services system based on a mix of economic support (social pension, allowances, etc.) and services (education, health, employment, housing);

Nowadays, according to Law 382/2000, municipalities play a key role in the provision of social services. They must supply support for citizens (children, elderly, and people with disabilities) and tackle problems related to poverty, marginalisation and the integration of third country nationals. For the first decade of 2000, social services spending grew. In 2009, the data show that municipalities' social expenditure was up to 0.44% of GDP.

Resources were used principally in favour of educational services for children (nurseries and kindergartens), poor families, disabled people and the elderly.

Although Law 382/2000 has not yet led to overall national reform, which had been expected by non-profit associations, unions and local authorities, many municipalities have made some important improvements, investments and innovations in order to overcome historical failings:

- Greater integration between social policies, health system and services providers (public and private);
- Improvement of services quality;
- More transparency in access to social services;
- Improvement in the capacity of taking care through an individual project.

A negative aspect of Italian welfare is the imbalance in favour of economic support. The supply of public social services is insufficient and not homogeneous over the country. Nevertheless, the tendency is to give "monetary support», directly to people in need which is often not based on an individual project aimed to overcome the user's social discomfort. However, the national and local authorities continue to implement policies of economic support for two reasons.

Firstly, it is the easiest and fastest way to tackle social problems: the user buys directly on the market the social services he/she needs. Secondly, sad to say, there is the hope of a high return in terms of electoral success.

Another crucial point of the Italian welfare system is that it is one of the least effective in Europe. For example, in 2014, the percentage of people at risk of



poverty was reduced as a result of economic support, by 5.3 points (from 24.7% to 19.4%) compared to a reduction in the European Union (27 countries) of 8.9 points.²³⁸

Families are still the main source of assistance for vulnerable people. And the high rate of women involved in care work is the factor that most affects female participation in the labour market. In 2009, only 59% of women with one child were in paid work; only 54.1% of women with two children; and the percentage drops to 41.3% for women with three children²³⁹.

A high number of family caregivers work in Italian households: about 830,000²⁴⁰. They are more numerous than the employees in the National Health System (646,000)²⁴¹.

The number of caregivers seems particularly high in comparison to the number of elderly people, who use the Integrated Home Care Service (507,126).²⁴² The large number of family assistants shows families organise their own care due to the insufficiency of publicly provided elderly care services.

The main public services for non self-sufficient old people provided by municipalities

- ADI (Integrated Home Care Service) provides health and medical care at home. It is used by 4.3%.
- SAD (Home Care Service) provides social assistance at home as personal and house hygiene. It is used by 1.4%.

Source: "Il welfare sociale in Italia", 2014

The country does not have sufficient public nurseries and kindergartens to accommodate all the children under the age of six years. For that reason households tend to use private schools or care provided by grandparents.

Only 13.5% of children under three years have access to public nurseries and regional differences are large.

238 www.istat.it Report, 2016

239 Eurostat Labour Force Survey, 2009

240 Pasquinelli, Rusmini, 2013

241 CERGAS-Bocconi, 2013

242 Ministry of Health, 2011

In the North-East, 17.1% of children attend public educational services, in the North-West it's 16.8%; in the Centre 18%. The South and the islands have a broad disadvantage, with 4.2% and 6.9% of children attending public nurseries or other school services. The Emilia Romagna region has the highest percentage of childhood schools (26.5%); at the opposite end of the scale there are Campania and Calabria with 3%²⁴³.

In 2012, non-profit associations, unions and local authorities founded a network «Growing Welfare. It grows Italy» to denounce the lack of social services and make proposals for improvement. Many experienced people have contributed to identifying shortcomings and proposing innovative solutions²⁴⁴.

In order to improve citizen's and third country nationals' access to social services, the Alliance claims that a comprehensive reform is necessary which is summarised as follows:

- To establish national levels of social services (LIVEAS) including quality, standard and distribution all over the country;
- To make an economic distinction between the security system (pensions) and the system of social and socio-educational services provided by municipalities;
- To invest a greater amount of resources in social services at the national, regional and local level;
- To establish the minimum income for families living in absolute poverty;
- To launch a National Plan for the active involvement of people with disabilities;
- To launch a National Plan for self-sufficient people and for people with disabilities;
- To launch a National Plan for the integration of immigrants.

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243 www.istat.it, 2013

244 <http://www.fishonlus.it/iniziativa/cresce-il-welfare-cresce-litalia>



THE NETHERLANDS

INTEGRATION OF THIRD-COUNTRY NATIONALS

1. TOOLS/PROGRAMMES IMPLEMENTED FOR THE INTEGRATION OF THIRD-COUNTRY NATIONALS

Overview of the situation as seen by the European Commission:

The Netherlands still express some of the greatest support for integration and equal rights, alongside citizens of Northern Europe and traditional countries of immigration (e.g. in 2012 85% thought legal immigrants should have the same rights as NL citizens). But, from 2010-2014, the NL abandoned its traditional commitment to equal opportunities for immigrants and dropped -8 points on MIPEX, more than any other country has from 2007-2014. The Netherlands is no longer a leader on integration policy, with many looking instead to the slow but steady improvements in Germany and the high levels of ambition in the Nordics and traditional countries of immigration. The Netherlands is largely on its own in its new approach to integration²⁴⁵.

The EU main funding instruments to support legal migration and integration of third country nationals are AMIF, ESF, and FEAD.

In particular, The Asylum, Migration and Integration Fund (AMIF) was set up for the period 2014-20, with a total of EUR 3.137 billion for the seven years. It will promote the efficient management of migration flows and the implementation, strengthening and development of a common Union approach to asylum and immigration.²⁴⁶

Challenges identified by the European Commission:
Newcomers still benefit from equal socio-economic rights, relatively strong anti-discrimination laws and a basic entitlement to Dutch citizenship, while their children should be educated by teachers trained and supported to target their specific learning needs and to teach all pupils about diversity. However, Dutch policies on family reunion, long-term residence and dual nationality are more restrictive than on average in Western Europe. These restrictions can delay the integration of the small number of transnational families and discourage many long-settled residents from

²⁴⁵ <http://www.mipex.eu/netherlands>

²⁴⁶ http://ec.europa.eu/dgs/home-affairs/financing/fundings/migration-asylum-borders/asylum-migration-integration-fund/index_en.htm

becoming long-term residents or citizens and further investing in their integration. They may also face greater obstacles to investing in their integration without the support of free language and integration courses, immigrant self-organisations and effective targeted programmes in employment, education, health and so on. The MIPEX statistics on beneficiaries and outcomes suggest that integration policies are still needed in several areas and these changes can have a significant impact, for better or for worse. These policy changes and cuts can be independently evaluated in terms of their effects on integration outcomes in the many areas of life. More evaluations, pilots and experiments may help focus the integration debate on realistic objectives for what integration policies can and must achieve for the development of Dutch society²⁴⁷.

1.1 Are there specific integration policies implemented in your countries by the national, regional and local level? Which categories of third country nationals are they addressing (e.g. refugees, beneficiaries of family reunification, economic migrants, unaccompanied migrant minors)?

In the “Overview of the situation as seen by the European Commission” above it is stated that the traditional Dutch commitment to equal opportunities for immigrants has been abandoned. To some extent this is indeed the case. Policies on immigration and integration are more restrictive nowadays. The allocation of the AMIF funds may be seen as an example of this trend.

If we look at the roles for the national, regional and local level, we see different responsibilities for the various levels. The general outlines of Dutch integration policies have been developed by the national government. National agencies decide on the right of asylum, residence permits and the like. Basically there is no role for the regional level. Once the judicial status of third country nationals is clear, the local level comes into play. Municipalities execute the national policies and have freedom of action in doing so. This is a general characteristic of Dutch public administration, especially after the various reforms of recent years.

National policies address all categories mentioned

²⁴⁷ <http://www.mipex.eu/netherlands>



above, refugees, beneficiaries of family reunification, economic migrants and unaccompanied migrant minors. At a local level municipalities are expected to target all categories, but municipalities will prioritise based on local circumstances. Excluding categories on a local level, however, is not an option for municipalities. Court rulings since the recent reforms indicate local governments always need to consider, judge and motivate individual requests. Nevertheless, the freedom of action at the local level leads to differences between municipalities. For example, some municipalities are actively working on participation of refugees, by promoting and facilitating volunteering and labour/participation of refugees.²⁴⁸ Other municipalities are less active or even restrictive²⁴⁹.

1.2 How are EU funds for asylum, migration and integration (AMIF) allocated in your countries? Which categories of third country nationals are they addressing (e.g. refugees, beneficiaries of family reunification, economic migrants, unaccompanied migrant minors)?

The AMIF funds are allocated in The Netherlands as follows:

- Asylum: 27%
- Integration: 19%
- Return: 47%
- Technical support: 7%

The target group of the National Objective integration is not limited to western third country nationals. This excludes third country nationals from Europe (except Turkey), North America, Oceania, Indonesia and Japan. For more detailed information we refer to the link below.

<https://www.agentschapszw.nl/subsidies-en-regeligen/asiel-migratie-en-integratiefonds-amif>

Examples of projects financed by AMIF:

²⁴⁸ see also chapter on developments in social protection systems in this monitor

²⁴⁹ Website National Immigration and Naturalisation Service (IND): <https://ind.nl/Paginas/default.aspx>

<http://www.vluchtelingenwerk.nl/wat-wij-doen/onze-projecten/project-vip-vluchtelingen-investeren-participeren>

<http://www.trias-subsidie.nl/subsidie-nieuws/praktijkvoorbeeld-amif-subsidie-project-gemeente-breda/>

One member of the Dutch national strategy group indicated that border control and the EU-Turkey deal on refugees are also financed by AMIF. We have not been able to verify this claim with concrete project examples, although the subsidy provisions clearly leave this option open (see Appendix H of the subsidy link below).

<https://zoek.officielebekendmakingen.nl/stcrt-2015-9132.html>

1.3 Are NGO's involved by national and local authorities in the development and implementation of integration programmes? In particular, are NGOs consulted on the allocation of EU Funds for integration programmes (e.g. AMIF)?

Consulting on allocation of EU Funds

We do not have evidence that NGO's have been consulted on the allocation of EU funds. We assume however that large NGO's in this field of action did have some influence.

Development and implementation of integration programmes

All NGO's and municipalities can apply for AMIF funding.

Some NGO's have a clear and specific role at national level in the integration programmes, such as Nidos²⁵⁰.

Many NGO's provide services to various categories of third country nationals, both asked and unasked by national and/or local governments. The key focus is mainly on refugees and assistance with (individual) in-

²⁵⁰ <http://www.nidos.nl>



tegration programmes (Dutch: inburgeringstrajecten) This is a site with a wide range of information on integration. www.kis.nl.

Kennisplatform integratie & samenleving (Verwey Jonker Instituut)

2. DISCRIMINATION AND INTERCULTURAL COEXISTENCE

Overview of the situation as seen by the European

Commission:

Immigrant adults are demanded but not supported to learn the NL language and its core civic values, with 'loans' replacing the grants and free courses provided traditionally by NL and by most other countries. Immigrants are expected to be employed, healthy and civically active but without the targeted support to overcome any specific obstacles they face in NL society. According to the current government's understanding of mainstreaming, it's up to immigrants to pay and do it themselves and up to mainstream institutions to respond. While immigrants are required to integrate, mainstream institutions are not required to open up and no role is foreseen for integration policymakers or immigrant civil society to build bridges between the two. This radical reversal has undermined integration policies in nearly all areas of life, especially the labour market, political participation and education. The previous and current NL governments have also continued to restrict family reunion, leading to few measurable benefits and many potentially negative impacts for integration²⁵¹.

Challenges identified by the European Commission:

The project: "Imagine IC" from the Netherlands promotes itself as 'pioneer of contemporary living together'. The project's objective is to present the identity and culture of migrants and their descendants in the Netherlands, and to make this information available to a broad audience by collecting stories about everyday life in an innovative way, both on the street and online, and to develop them into digital, visual and sound productions. Via an online collection, they are returned to the society that generated them as part of a collective memory and identity. With its activities and the resulting collection of image and sound items, Imagine IC aims towards a democratic heritage concept and practice, and a subsequent inclusive understanding of Amsterdam, resp. Dutch collective identity²⁵².

251 <http://www.mipex.eu/netherlands>

252 http://ec.europa.eu/culture/library/reports/201405-omc-diversity-dialogue_en.pdf

2.1 Are there movements/campaigns/initiatives in your country in favour or against the integration of third country nationals? What is your evaluation of them?

There are movements both in favour and against the integration of third country nationals. Like in other EU member states politics tend to polarise. One of the main topics of the debate is the integration of third country nationals.

In 2015 The Netherlands faced the highest inflow of refugees in 20 years, with over 43,000 first asylum requests that year. Looking at the statistics, this was a sudden peak in the annual figures. In the 1990's on average 32,222 asylum seekers arrived each year, many of them from the Balkans. The decade before 2015 the average was 12,944 asylum requests a year. We observe the absorption capacity nowadays is smaller than it was in past decades. Causes of the declining absorption capacity are not clear. Polarisation in society could be one cause, changes in post 2007 crisis society another. Also the fear of Islamic fundamentalism is a factor. One of the developments that have contributed could also be the rise of social media, digitalisation etc. These trends made it easier to organise opposition and generate a large volume. Recent research indicates however that the majority of the population still supports asylum seekers²⁵³.

Looking at NGO's, we see many initiatives to promote integration. Examples are language lessons, programmes to meet refugees, buddy projects. One particularly effective programme recruits refugees as co-creators. Evidence available indicates integration works best when third country nationals are active citizens right from the start²⁵⁴.

Recently the national government announced a contribution (a relatively small amount of money) to facilitate volunteering by asylum seekers – both with

253 <http://www.motivaction.nl/kennisplatform/publicaties/veel-draagvlak-onder-nederlanders-voor-opvang-asielzoekers>

254 <http://www.pharos.nl/nl/kenniscentrum/projectenoverzicht/52/aan-de-slag-vrijwilligerswerk-voor-asielzoekers>



and without a permit to stay²⁵⁵.

The recently launched and widely supported campaign “Stay Human” intends to temper the debate and poses a firm call for humanity²⁵⁶.

Statistics on asylum 1976-2015:

<http://statline.cbs.nl/Statweb/publication/?VW=T&D-M=SLNL&PA=80059NED&D1=a&D2=0&D3=a&HD=150930-1112&HDR=T,G1&STB=G2>

Additional links:

<http://www.pharos.nl/nl/kenniscentrum/asielzoekers-en-vluchtelingen/asielzoekers-en-vluchtelingen>
<https://www.kerkinactie.nl/diakenen-zwo/vluchtelingen-en-mensenhandel>

Remark on the “Challenges identified by the Commission”: Although the Project Imagine Identity&Culture (or Imagine IC) indeed seems to be financed by EU funds too, it is a relatively small initiative.

2.2 What are your recommendations to fight discrimination and to promote intercultural coexistence in your country?

Maintaining a positive attitude to each other is a very basic, but often neglected condition. Facts should be more important than sentiment. The earlier mentioned campaign Stay Human is a good example for achieving this. If we take the example of refugees and asylum seekers once more, we see obstacles too. Numerous examples indicate it is best to integrate refugees in small groups in society directly after arriving in the country. Often refugees are housed together in big groups outside the cities, in isolated camps in the countryside. Hence, they start outside society. This is clearly an obstacle for integration. Formalities often create another obstacle. Refugees usually are more than willing to participate. However, starting as a volunteer requires permission from the COA (the national

255 <http://www.tubantia.nl/algemeen/binnenland/miljoen-subsidie-voor-vrijwilligerswerk-asielzoekers-1.6262307>

256 <https://www.stayhuman.nu/> and <https://nov.nl/actueel/nieuws/stay-human-roept-op-tot-medemenselijkheid>

agency for asylum seekers). Feedback from the field states this is an often time consuming procedure, and quite often unsuccessful too.

Overall, creating and/or maintaining mutual understanding is a must. Maintaining proper levels of support when one's own responsibility to participate may not be sufficient (yet, or not any more) is also required.

DEVELOPMENTS IN SOCIAL PROTECTION SYSTEMS

1. ADEQUATE INCOME SUPPORT IN YOUR COUNTRY AS A BASIS FOR SOCIAL PROTECTION OVER THE LIFESPAN OF A PERSON TO FIGHT POVERTY AND ENSURE ACTIVE INCLUSION

1.1 Minimum income

Overview of the situation as seen by the European

Commission:

There is a provision of an incentive bonus (once only) when Minimum Income recipients accept a contract for at least six months or participate in voluntary work or a work experience placement. The most important recent measure that is relevant in the light of the recommendations for the eurozone as a whole is the reduction of the tax wedge by means of the 5 billion package and the introduction of the low income benefit (LIV)²⁵⁷.

Challenges identified by the European Commission:

A low-income concession will be implemented in 2017. This helps employers with wage costs for employees with an income up to 120% of the statutory minimum wage²⁵⁸.

Is there a minimum income scheme in your country? If yes, is the level of minimum income adequate in your opinion? Where do you see gaps and possibilities for improvement?

Yes, there is a minimum income scheme in The Netherlands. The level is not adequate for all. Growing

257 www.stayhuman.nu

258 Minimum Income Schemes in Europe: A study of national policies 2015”; European Commission; Jan.2016; Brussels.



flexibility in the labour market also increased 'in work poverty'. The growing group of self-employed (Dutch: Zelfstandigen Zonder Personeel (ZZP) are referred to as the new poor. As the European Commission states, they are a sometimes vulnerable group, and a fast growing group in the labour market too. The number of ZZP-ers keeps growing steadily, from 350,000 in 1998 to 800,000 in 2014 and over 1,000,000 this year. Although unemployment rates are dropping, many of the people leaving the benefit schemes start their own businesses, and not always because of their own choosing²⁵⁹.

1.2 Unemployment benefit schemes

Overview of the situation as seen by the European Commission:

A person who only meets the weeks' condition receives benefits for a maximum duration of three months. A person who also meets the years' condition receives benefits for as many months as the number of months in employment, with a maximum of 38 months. You meet the years' condition if you have received a wage over at least 208 hours in at least four years of working out of the last five years preceding the year in which you became unemployed (note that the previous 52-days condition remains relevant for determining benefit entitlement and duration when years prior to 2013 are considered).

In certain cases, if your benefit is lower than the social minimum (sociaal minimum), you are entitled to claim a supplementary payment under the Supplementary Benefits Act (Toeslagenwet). At all events, the benefit will cease on the day you reach the legal retirement age; as a rule, you are then entitled to an old-age pension.

In 2015, the labour market situation improved in conjunction with robust economic growth. The rate of job losses decreased, which is reflected in a fall in unemployment from 7.2 % in the third quarter of 2014 to 6.8 % in the third quarter of 2015. The CBS expects unemployment rate 6,4% in 2016 and 6,2% in 2017.

Challenges identified by the European Commission:
*The increase in the number of self-employed could put pressure on the social security system, as most self-employed are not insured, or only partly, against the risks of sickness, labour disability, unemployment and old age.*²⁶⁰

259 <https://www.cbs.nl/nl-nl/dossier/dossier-zzp> and <http://www.ikwordzpper.nl/zzp-kennisbank/cijfers-en-kengetallen/hoeveel-zzp-ers-zijn-er-in-nederland>

260 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_

What are the recent developments in your unemployment benefit schemes (e.g. decrease/increase in coverage, limitation/extension of the duration of unemployment benefits)? Where do you see gaps in the system?

Legislation passed in early 2015 was intended to make the labour market more flexible. The new scheme was set to be implemented by July 2015. The intention is to give flexworkers an indefinite contract much faster (compulsory after 24 months now instead of 36 months), whilst at the same time making it easier for employers to end indefinite contracts. The intended outcome of these changes is a much more flexible labour market. There are no statistics available yet to show whether the increasing number of flexworkers employed for 24-month periods puts more pressure on the unemployment benefit schemes. Unemployment rates have been decreasing steadily over the last 18 months, but there are no statistics yet on how many people lose their jobs after the 24 months are over.

The new practice now arising is that flexworkers are more often limited to 24 month jobs. Employers face higher costs when they want to end indefinite contracts due to the fact that now all employees receive severance pay (transitie-vergoeding) when their contract ends. Before employees only received severance pay in a limited number of situations. Before 2015 there was a limited number of situations in which employees received a 'transitie vergoeding.' Furthermore, dissolving a contract via the courts has become more difficult. Before 2015 only 10% of requests were refused, now it is 30 to 40%. This is especially the case for smaller businesses. An unintended outcome is that smaller businesses hire employees on an indefinite contract less often.

1.3 Pensions

Overview of the situation as seen by the European Commission:

netherlands_en.pdf



The large second pillar of the pension system plays a central role in shaping household finances and the household saving rate. The rise in recent years in the household saving rate was partly due to higher saving in the second pillar of the pension system (mandatory supplementary private schemes), to which the regulatory environment contributed. Pension funds hold the largest share of household savings, but invest mainly in securities and mostly abroad. Within a period of 10 years, total household pension assets increased by more than 50 % to 212 % of GDP.

From the perspective of the wealth portfolio of households, pension assets have increased massively over the last decade, while housing equity and other wealth holdings decreased. The allocation of pension fund assets may be suboptimal both from the perspective of households and, more generally, from a macroeconomic perspective. The main investments (83 %) of total pension fund assets in recent years have been shares, other equity and securities other than shares; real estate assets represented less than 2 % of total assets in 2014. By far the largest share of assets is invested abroad. In 2014, only 17 % of total pension fund assets were invested in the Netherlands, 27 % in other euro area countries and 46 % outside the euro area.

The very large fully funded pension system has difficulties coping with stock market volatility and the low long-term interest rates; policy initiatives are addressing the transparency and actuarial fairness of the system. The pension system is based on strong institutions, providing wide coverage and delivering good results in terms of pension adequacy and fiscal sustainability.

Nevertheless, stock market volatility and the current low long-term interest environment have led to expensive and increasingly uncertain defined-benefit pension entitlements. Low solvability has generally led to large reductions in indexation and increases in contributions, and sometimes even to nominal reductions in pension income for retirees. In combination with relatively low transparency and a disconnection between contributions and future earnings, this has reduced the popularity of the current system, in particular among younger generations who feel that they bear an undue financial burden on account of the *doorsneesystematiek*.²⁶¹

Challenges identified by the European Commission: In addition to housing market distortions, compulsory non-tax contributions to the second pillar of the pension system weigh on households' disposable income. The second-pillar pension system performs well in terms of quality and adequacy, but has drawbacks in terms of inter-generational fairness, transparency and resilience to economic shocks. In recent years, the sustainability of the pension system has been impro-

261 http://ec.europa.eu/europe2020/pdf/csr2016/csr2016_netherlands_en.pdf

ved by raising the pensionable age to 67 by 2021 and linking it to life expectancy thereafter. On average, pension contributions have been lowered since the maximum tax exempted accrual rate was reduced. An appropriate intra- and inter-generational distribution of costs and risks beyond the rules adopted on indexation and financial buffers (the financial assessment framework) would help households to allocate their financial means in more growth-friendly ways. The government announced its intention to reform the second pension pillar substantially with the involvement of social partners in order to create a more transparent and actuarially fairer system²⁶².

What are the recent developments in your pension system (e.g. increase/decrease of the retirement age, increase/decrease in coverage/level of pensions)? Where do you see gaps in the system?

The pension system evolves slower than society in general and the labour market in particular. The current economic circumstances and the effect on the assets pose challenges to the system. While the total household pension assets have increased to more than 212% of GDP, the pension funds face difficulties in maintaining the level of pension entitlements. A critical factor in this matter is the low or even negative interest rate. The coverage ratio of many pension funds is near or below the required 105%. As a result, the non-indexation of pensions or even a shortage of pensions in upcoming years is foreseen by many funds.²⁶³

Changes in the pension system are tough, because of the large time frame and the complexity of the system²⁶⁴.

Those who have not been living and working in The Netherlands their whole life, have often less than a minimum income after retirement. They can receive an extra contribution from the local government. Unfortunately, most people don't know where and how to arrange this.

262 http://ec.europa.eu/europe2020/pdf/csr2016/csr2016_netherlands_en.pdf

263 <http://www.nrc.nl/nieuws/2016/01/28/grote-fondsen-korten-van-pensioenen-dichtbij-1582324-a300658> and <http://www.trouw.nl/tr/nl/4504/Economie/article/detail/4344214/2016/07/22/Korten-op-pensioenen-onvermijdelijk.dhtml>

264 <http://www.trouw.nl/tr/nl/4324/Nieuws/article/detail/4304583/2016/05/20/Wat-merken-ouderen-en-jongeren-van-een-nieuw-pensioenstelsel.dhtml>



At the same time, the changing labour market requires change. In the current system the growing group of self-employed can only make individual arrangements, which are much more costly.

1.4 Indebtedness of households

Overview of the situation as seen by the European Commission:

Owner occupancy rates have tended to be high in the Netherlands, and this tenure type has long been encouraged by the full tax deductibility of mortgage interest payments. This resulted in a proliferation of interest-only mortgages in the pre-crisis years, granted to borrowers at very high loan-to-value ratios, creating a strong debt bias that drove up household indebtedness to around 120 % in 2009; although receding gradually, the debt legacy persists.²⁶⁵

Challenges identified by the European Commission:

A key challenge in addressing high household indebtedness lies in the housing market, where rigidities and distortive incentives that have built up over decades shape housing financing and sectoral savings patterns. Households' tendency to leverage up gross mortgage debt against housing wealth largely reflects long standing fiscal incentives, in particular the tax deductibility of mortgage interest. Since 2012, a series of measures has been implemented to address this partly, but these have not been stepped up in line with the recommendation. The development of a well-functioning private rental market is constrained by subsidies in the other housing subsectors. The social housing sector is one of the largest in the EU but housing (quantity and quality) is not always allocated efficiently to those really in need. More income based rent differentiation has been introduced in the social housing sector. Housing corporations will have to separate activities of general economic interest (i.e. social housing) from other activities. Given that some distortive incentives relating rents to income in the social housing market have been addressed, it is appropriate to shift this part of the previous recommendation to monitoring of the situation. At the same time, the housing market remains significantly distorted and continues to create a debt bias for households. Further progress is needed on these issues.²⁶⁶

What are recent developments in the level of household indebtedness? Do you know about reasons

²⁶⁵ http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_netherlands_en.pdf

²⁶⁶ http://ec.europa.eu/europe2020/pdf/csr2016/csr2016_netherlands_en.pdf

for these developments? Are there policies in your country to target this problem? What are your recommendations to improve the situation?

When speaking of household indebtedness we refer to all debts of Dutch households. So problematic debts are included, but also the mortgages of house owners. Obviously, the decline in the housing market since 2007 has shown mortgages can become problematic debt too. Poverty related debts are discussed in our feedback in Section 3.

Latest figures show a rise in household indebtedness. This is mainly due to the improving house market. More houses are sold, and hence more mortgage loans are required. The market is changing quite rapidly. In Amsterdam for instance, the housing market is already described as 'overheated'.

If we leave the housing market aside, we see fewer people with debt, but the average debt in the remaining group is higher. Household indebtedness can be divided into three categories; (1) consumer credits, (2) mortgages, and (3) other loans. The first category is decreasing steadily, the second has stabilised or is growing slightly, and the third is growing. The growth of other loans is caused by a shift in the way students are financing their studies. We had a system of (partial) grants and went to a system of study loans. The current generation of students is the first to graduate with this new loan system.²⁶⁷

2. PROVISIONS FOR DECENT WORK IN YOUR COUNTRY TO GUARANTEE THAT PEOPLE CAN EARN A LIVING AND AVOID IN-WORK POVERTY

2.1 Minimum wage

Overview of the situation as seen by the European

²⁶⁷ <https://www.cbs.nl/nl-nl/nieuws/2015/28/schulden-huishoudens-nemen-weer-iets-toe> and <http://www.volkskrant.nl/economie/nvm-overspannen-huizenmarkt-amsterdam-is-aan-het-droogkoken~a4277504/> and https://www.scp.nl/Publicaties/Alle_publicaties/Publicaties_2016/Een_lang_tekort



Commission:

In the Netherlands, it is reported that there have been significant calls for the minimum wage level to be set higher, but this was linked only to young employees who have lower levels of minimum wages than adults. In 2015, a majority in the Netherlands Parliament asked for a substantial rise in the minimum wages for young employees. The Cabinet seems divided on the issue. For the unions this is an important issue, and they have in recent years succeeded in raising minimum wages for young employees in several collective agreements.²⁶⁸

Is there a minimum wage scheme in your country? If yes, is the level of minimum wage adequate in your opinion? Where do you see gaps and possibilities for improvement?

Yes, there is a minimum wage which is set at €1,524.60 gross per month 2016 for workers of 23 years and older. Combined with the possible benefits for personal circumstances (housing benefit, day care benefit, benefits for people with a chronic disease, etc.) the Dutch system is fairly balanced.

Legislation is being prepared to improve minimum wages for young employees. The minimum wage will apply from 21 years old and onwards, instead of the existing 23 years and older. At the same time minimum wages for people aged 18 till 21 will rise too.²⁶⁹

2.2 Reconciliation of work and private life

Overview of the situation as seen by the European

Commission:

UWV (the Employee Insurance Agency) pays 100 % of your income during the leave period. The maximum daily pay is EUR 197. Tax must be paid on this, as it would on your normal pay. If you become ill as a result of your pregnancy before your leave starts, you will receive sickness benefit that is equal to your pay.

If you cannot work after your leave due to your pregnancy or delivery, you will receive the same pay for up to 104 weeks. Your holiday allowance continues

²⁶⁸ https://www.eurofound.europa.eu/sites/default/files/statutory_minimum_wages_in_the_eu_2016.pdf

²⁶⁹ <http://www.nrc.nl/nieuws/2016/04/21/asscher-schaft-minimumjeugdloon-af-vanaf-21-jaar-a1407759> and <https://www.rijksoverheid.nl/onderwerpen/minimumloon/nieuws/2016/04/21/kabinet-lost-knelpunten-arbeidsmarkt-op>

to build up during your pregnancy and maternity leave. Your employer is not allowed to ask you to use your holidays for your leave. If you are self-employed, you can get a benefit based on the Maternity Benefit Scheme for the Self-Employed (ZEZ). The amount you receive depends on your income in the year before the benefit starts, up to a maximum of the minimum wage.

Your care insurance will cover the midwifery/obstetric costs and the reimbursement of the postnatal care costs. If you give birth at home with the help of a midwife, or in hospital for medical reasons, the basic insurance will cover all the costs. If you wish to deliver in hospital but have not been advised to do so for medical reasons, you will have to pay a contribution. Some supplementary insurance policies cover the costs of hospital delivery.

If you want to have maternity care, contact a midwifery organisation no later than 5 months before the birth. Maternity care lasts a maximum of 10 days. Maternity care is covered by the basic package of your care insurance. You must make a mandatory contribution of EUR 4.10 per hour. Ask your care insurer whether you may choose a midwifery organisation yourself.

You have the right to AWBZ (Exceptional Medical Expenses Act) care if you work or live in the Netherlands. This covers ordinary check-ups for the child at a baby clinic, and costs in the case of long-term illness or invalidity. For more information about reimbursement for midwifery, obstetric and postnatal care, please contact your care insurer²⁷⁰.

What are recent developments in provisions for maternity and paternity leave in your country (e.g. increase/decrease in coverage/level and duration of benefits, improvements for paternity leave arrangements)? Where do you see gaps in the system of maternity/paternity benefits? Do you see gaps that make the reconciliation of work and private life more difficult in your country? What are your recommendations to improve the situation?

Earlier cuts in day care benefits were reversed in 2016. Day care benefits lower the costs for employees with young children (aged 0-4 years). The costs for formal day care would otherwise be (too) high. Without these benefits day care would cost about €7 per hour, per child. The day care benefits will be further improved in 2017. These benefits enable both parents to work. The

²⁷⁰ <http://ec.europa.eu/social/main.jsp?catId=1122&langId=en&intPageId=2989>



objective of the rising day care benefits is to improve female participation on the labour market.

Previous changes in day care showed quite dramatic changes. The introduction of day care benefits showed a higher participation of women and a slightly lower participation of men on the labour market. The reduction in day care benefits resulted in lower female participation, whilst male participation remained unchanged.

Another development is the change in paternity leave. Paternity leave is due to increase from two to five working days in 2017. Paternity leave is taken directly after the birth of a child.²⁷¹

Obviously, paternity leave applies only for employees. The growing group of self-employed is not included in this scheme. Pregnant self-employed women can receive benefits. Unlike for employed women, these benefits are not higher than the gross minimum wage. So there are differences and gaps in the system that need to be addressed.

3. NON-DISCRIMINATORY UNIVERSAL ACCESS TO QUALITY AND AFFORDABLE CARE, SOCIAL, HEALTH, EDUCATION AND LIFELONG LEARNING AND BASIC FINANCIAL SERVICES (I.E. ACCESS TO A BANK ACCOUNT)

Overview of the situation as seen by the European Commission:

The strong education system and scientific base of the Netherlands provides a sound basis for boosting innovation and growth capacity via education and R&D activities. The new social lending system (sociaal leenstelsel) is replacing the previous grant system for new students starting their studies as of the academic year 2015/16. In this new system, students will be able to take out low-interest loans to finance their studies. Repayment of these loans will depend on the students' income after graduation. The system includes special provisions for students from low-income families.

Various measures to support access to finance have been introduced. These include microcredit loans

271 <http://www.boink.info/actueel/nieuws/2016/5/ouders-krijgen-volgend-jaar-extra-geld-voor-kinderopvang> and <http://www.volkskrant.nl/binnenland/vaderschapsverlof-in-2017-van-twee-naar-vijf-dagen~a4125616/>

through Qredits and guarantee schemes. The government takes part in venture capital for young innovative companies (SEED). The government set up an investment facility linked to business angels (Investeringsfaciliteit Business Angels), whereas the Netherlands Investment Agency aims to link entrepreneurs to the European Fund for Strategic Investments. Finally, in 2015 a one-stop shop for business finance (Nationale Financieringswijzer) was set up to provide entrepreneurs with knowledge, skills and networks to obtain finance.²⁷²

What are recent developments in the access to services in your country? Where do you see gaps (e.g. groups of people excluded from access to services, certain services not available in some regions etc.)? What are your recommendations to improve the situation?

Many of the recent reforms assume citizens have their own responsibility. This constitutes a good premise for active citizens with harmful side effects for those who are not - whether it be because of reduced physical and/or mental capabilities, old age, or other reasons. The strategy group discussed the harmful effects of the assumption of one's own responsibility on the integration of third country nationals.

Organising home care can be a challenge for the elderly. They are assumed to be self-responsible too. In our contribution to the Social Progress Watch 2015 we pointed out some legal claims. Court rulings now state municipalities do have freedom to act and prioritise on a local level. However, this is not an absolute freedom. Some municipalities terminated entire categories of care. This was a step too far. Individual applications must be analysed, judged and acted upon on an individual basis.

We notice waiting lists for elderly people who are in need of a care home for the elderly. Some can get into a care home but only one that is far away from their partner.²⁷³

272 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_netherlands_en.pdf

273 <http://www.uniekbo.nl/kbothuis/>



So we can say all services are available throughout the country, but due to the ability of municipalities to prioritise on a local level the availability, quality and affordability of services varies from region to region.

Limited access to debt counselling has been troublesome in the last few years. Research indicated that only 6% of those who qualified for debt counselling actually received a form of debt counselling. Municipalities are expected to consider the individual circumstances. However, there are quite a number of municipalities with generic criteria to refuse access to debt counselling. So people receive a simple 'no' without a solid, objective and individual screening. In 2012 the budgets for debt counselling were transferred from the national government to the municipalities. Again, this was accompanied by a budget reduction.

Although municipalities are expected to help all those with debt problems, a simple calculation is often made by municipalities: budget available divided by costs per debt counselling case = number of cases possible. Which is far short of the number of cases that need counselling. Recent media attention for this issue has paved the way for changes.²⁷⁴

A recent publication²⁷⁵ states 82% of municipalities do not fully apply the law when it comes to acceptance of debt owners to debt services. 19% of the municipalities only provide a general decision without specifications and 38% do not explore all possibilities in their decisions.

Poverty

Due to the financial crisis poverty has affected a larger group. While 850,000 people lived in poverty in 2007, the number grew to more than 1,250,000 people in 2013. Three years later poverty remains a serious problem. About half of the group consists of people in long term poverty (three years or more).

²⁷⁴ <http://www.binnenlandsbestuur.nl/sociaal/nieuws/onderzoek-en-wetswijziging-voor-betere-schuldhelp.9541014.lynkx>

²⁷⁵ Actueel: 11/08/2016: in Binnenlands bestuur: <http://www.binnenlandsbestuur.nl/sociaal/nieuws/4-op-5-gemeenten-bieden-schuldhelp-niet-volgens.9545585.lynkx?mt=h-ZiqGIU+oWVHi42Eocnu9A&vk=f17W0JP2dJnbybriBvkO-g&pub=1002>

Recent research by SCP, one of the leading Dutch research institutes, indicates the number of people in poverty is usually underestimated.

Remarkably, nearly half of the people in long term poverty are working people. Since 2005 this number rose from 40% to more than 50% in the latest figures. This trend indicates work is no longer a way out of poverty for a large group. The report seems to support earlier observations on ZZP-ers as 'the new poor'.

Other large groups in long term poverty are the elderly and non-western migrants with young children.²⁷⁶

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²⁷⁶ https://www.scp.nl/Publicaties/Alle_publicaties/Publicaties_2016/Een_lang_tekort



ROMANIA

INTEGRATION OF THIRD-COUNTRY NATIONALS

1. TOOLS/PROGRAMMES IMPLEMENTED FOR THE INTEGRATION OF THIRD-COUNTRY NATIONALS

Overview of the situation as seen by the European Commission as seen by the European Commission: *Newcomers to RO benefit from halfway favourable policies that create slightly more obstacles than opportunities for non-EU immigrants to quickly and fully participate in RO society. The balance between opportunities and obstacles is more favourable in RO, CZ, EE, HU than in the rest of Central Europe, with RO several points ahead of BG and SK. Thanks to EU law, most non-EU newcomers can access the labour market and training, reunite with family and secure EU long-term residence, though some gaps persist in these areas. Going above-average for the region, RO authorities and civil society are taking steps to provide free language training and basic information on jobs, training, schooling for children and healthcare. With the right resources and support, RO's strong anti-discrimination laws and body can also be used to guarantee equal treatment for non-EU citizens when practices go against the law²⁷⁷.*

Challenges identified by the European Commission: *The major obstacles to integration in RO are common problems in the region. When seeking or renewing permits, immigrants who meet all the legal requirements still face wide administrative discretion, despite EU law. Support for RO's few immigrant pupils is weak and largely limited to learning the RO language. Its integration strategies are missing political participation and a clear path to citizenship for ordinary immigrants and RO-born or -educated children. RO is the most restrictive in denying all political rights to its small number of non-EU citizens, despite above-average majorities of RO citizens in favour of immigrants' rights and contributions²⁷⁸.*

1.1 Are there specific integration policies implemented in your countries by the national, regional and local level? Which categories of third country nationals are they addressing (e.g. refugees, beneficiaries of family reunification, economic migrants, unaccompanied

277 <http://www.mipex.eu/romania>

278 <http://www.mipex.eu/romania>

migrant minors)?

In late April 2016 there were 65,020 foreign citizens in Romania from over 140 countries (compared to 60,257 foreigners at the end of 2015). Of these 39,256 were men (60%), 25,764 were women (40%) and 9,672 were aged 0 to 18 years. At the same time, there were 2,584 people with a form of international protection from 51 countries. Of these, 843 (33%) were women and 1,741 (67%) men, while 736 (28.5%) were aged between 0 and 18. From 2013 to 2016 the Romanian Government approved 5,000 economic migrants per year, but the number issued working permits every year was only about half that.

Every four years Romania adopts a National Strategy for Immigration. According to this Strategy and national legislation, third country nationals, refugees, beneficiaries of family reunification and unaccompanied migrant minors are subject to specific national policies, implemented on the national level by the General Inspectorate for Immigration (GII), a structure belonging to the Ministry of the Interior, with the involvement of specialised NGOs. The policies have improved every year and the European directives have been transposed into Romanian legislation, lessening the administrative burden.

The difficulties in integrating immigrants in Romanian society arise from:

- Romania's definition of itself as a transit country, not a country of destination.
- Antagonistic discourse on the rights of Europeans / non-Europeans.
- Certain legislative provisions.
- Difficulties in law enforcement.

Some examples of legislative provisions hindering the integration of migrants are:

- Limitations on access to the employment, education and vocational training of persons without documents to prove their level of education – diplomas, certificates but also transcripts (most citizens with legal residence and refugees are in



this situation).

- Limitations on the right to practice certain occupations, even graduates who have conducted studies in Romania (only foreigners married to a Romanian citizen can practice certain professions, such as medical doctors and only Romanian citizens can become certified, authorised and SWORN translators)
- Inability to verify working conditions for domestic workers by the Labour Inspection.

The integration of foreigners in Romanian society is almost exclusively the responsibility of the GII and NGOs in the field. The local ministries, the prefectures and municipalities do not allocate resources for the integration of foreigners (the City Hall of Bucharest has set up a department for foreigners' integration, which is not fully operational, yet).

1.2 How are EU funds for asylum, migration and integration (AMIF) allocated in your countries? Which categories of third country nationals are they addressing (e.g. refugees, beneficiaries of family reunification, economic migrants, unaccompanied migrant minors)?

The Ministry of Internal Affairs is responsible for managing the general framework for the financial and strategic planning, management, implementation and audit of the funds granted to Romania by AMIF. The Schengen Directorate within the Ministry of Internal Affairs is designated as the Responsible Authority (RA) and shall be responsible for the proper management and control of the national programme and shall handle all communication with the Commission. The General Inspectorate for Immigration is designated as the Delegated Authority for contracting and making payments from the Asylum, Migration and Integration Fund.

The General Inspectorate for Immigration has the following main responsibilities: a) organising the project selection and tendering procedures and evaluation of the tenders in order to award the contract/grant; b) receiving payment requests and making the payments

to the contractors; c) ensuring an accurate record of financial evidence and providing the RA and the AA with detailed evidence of the payments made. d) taking part in the controls/audit activities carried out by the European Commission.

All categories of immigrants are eligible, including tolerated persons and resettled refugees.

1.3 Are NGO's involved by national and local authorities in the development and implementation of integration programmes? In particular, are NGOs consulted on the allocation of EU Funds for integration programmes (e.g. AMIF)?

The NGOs working in the field of migration are included by the General Inspectorate for Immigration in the development and implementation of integration programmes in all the stages of the process (from the consultations on the allocation of EU Funds to the implementation of projects).

In October 2015 the Government set up the National Inter-ministerial Council for Refugee Integration and the NGOs were invited to participate in consultations with the Prime Minister and the representatives of ministers. In 2016 this Council became inactive, due to the fact that the number of refugees relocated from Europe is very small.

The general focus is on refugees relocated from Europe, in spite of the fact that their number is very low. Other foreigners in Romania receive less attention (and funding), in spite of the fact that their problems are the same. The funding is not flexible enough to adjust to the real situation (funds allocated for hundreds of refugees coming from Europe when in fact less than 100 refugees came).

The General Inspectorate for Immigration (GII) is a structure that belongs to the Ministry of Internal Affairs, which focuses less on integration problems. Other ministries (education, health, labour and social assistance, justice etc.), prefectures and city halls are



not involved in or responsive to the problems of refugees and third country nationals raised by the NGOs (such as the problems associated with the fact that many foreigners have no documents to prove their level of education, which have not been solved over the last 10 years).

General remarks or other comments:

Immigration is the responsibility of the GII and is defined in terms of associated risks, particularly with the entry of Romania into the Schengen area (the National Immigration Strategy mentions, for example the tendency of foreign nationals to remain illegally in Romania for undocumented activities, the illegal crossing of the state border or awaiting the moment of full application of the provisions of the Schengen acquis by Romania, in order to reach Western European countries, the increased resources for the forced removal of persons from national territory, the growing demand for international protection received by Romanian authorities etc.).

Trade unions and employers are not involved in policy making in the field (National Strategy on Migration) or the development / implementation of annual action plans. Employers who hire foreign workers are not generally members of employers' associations. Immigrants are not union members in Romania and often were not in their country of origin either.

2. DISCRIMINATION AND INTERCULTURAL COEXISTENCE

Overview of the situation as seen by the European

Commission:

According to 2012 Eurobarometer data, around 5.5% of people in RO felt they had been discriminated against or harassed in the previous year based on their race/ethnic origin (3.4%) and/or religion/beliefs (2.8%). This number of potential victims of racial/religious discrimination in RO was similar to other Central European countries (e.g. BG, HU, SK). Since 2000, RO has created and constantly improved its anti-discrimination law. Ranking 9th overall, RO's laws and policies are stronger than in most countries and the region, but slightly weaker than with BG and HU. These laws extend far beyond the minimum standards seen in the recently adopted laws in CZ, EE, PL. Still, a lack of

funding and political leadership may mean that potential victims do not know or access these protections. Tensions can arise between a strong equality body to assist victims and relatively weak state policies to promote equality²⁷⁹.

Challenges identified by the European Commission: RO State has taken few obligations upon itself to promote equality²⁸⁰.

2.1 Are there movements/campaigns/initiatives in your country in favour or against the integration of third country nationals? What is your evaluation of them?

When speaking about immigration, public opinion switched from favourable to unfavourable in less than six months. At the beginning of 2016, very prominent opinion leaders expressed their xenophobic convictions without any sanctions from public institutions, and the public discourse is becoming the biggest challenge for the refugee crisis. The campaigns initiated by NGOs were small, underfunded and inefficient. The Refugees, welcome to Romania community on Facebook, for instance, has only about 2,300 likes.

The General Inspectorate for Immigration allocated €280,000 for a public campaign. If granted, the project selected by GII in this call for proposal will start on January 2017.

2.2 What are your recommendations to fight discrimination and to promote intercultural coexistence in your country?

Our main recommendations are:

- Access to employment, education and vocational training for people who cannot document their level of education (most citizens with legal residence and refugees are in this situation).
- Permission to practice all professions for third country nationals and refugees, including graduates in Romania.
- Elimination of the condition to pay a salary equal to the average wage for third country nationals

279 <http://www.mipex.eu/romania>

280 <http://www.mipex.eu/romania>



staying for work purposes.

- Elimination of the condition to pay a salary equal to four times the average wage for the highly skilled (blue card).
- Introducing the possibility of checking online whether the employer has registered an individual employment contract or its termination.
- Introducing the possibility of checking the working conditions of domestic workers by the Labour Inspection.
- Adopting special measures for the certification of studies for foreigners who cannot prove their level of education, in the cases provided for by art. 11 (11) of the Government Ordinance no. 44/2004 regarding the social integration of foreigners who were granted a form of protection or a right to stay in Romania.

DEVELOPMENTS IN SOCIAL PROTECTION SYSTEMS

1. ADEQUATE INCOME SUPPORT IN YOUR COUNTRY AS A BASIS FOR SOCIAL PROTECTION OVER THE LIFESPAN OF A PERSON TO FIGHT POVERTY AND ENSURE ACTIVE INCLUSION

1.1 Minimum income

Overview of the situation as seen by the European

Commission:

Romania faces very high risks of poverty, social exclusion, and income inequalities. The lack of a coherent mechanism to adjust social transfers to the economic context diminishes their impact on reducing poverty and the overall adequacy of income support schemes²⁸¹.

Challenges identified by the European Commission:

Although beneficiaries of the guaranteed minimum income are required to register with the National Employment Agency, they are not offered tailor-made activation measures. Romania has made limited progress in introducing the minimum inclusion income scheme, as the draft law has been submitted for public consultation, but not yet adopted. Its implementation

²⁸¹ http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_romania_en.pdf

has been further delayed to 2017 or 2018²⁸².

Is there a minimum income scheme in your country? If yes, is the level of minimum income adequate in your opinion? Where do you see gaps and possibilities for improvement?

Indeed, there is a minimum income scheme in Romania, but it is not appropriate, particularly for people in lower economic classes who are struggling to meet their basic needs. The monthly guaranteed minimum income level is based on the Reference Social Indicator (ISR), which currently has a value of 500 lei (€112.3). According to the current legislation, one single person receives 0,283 ISR (€31.78), a family of two persons receives 0,510 ISR (€57.28), and one family of three persons receives 0,714 ISR (€80.19) and so on. These amounts of money only cover a small part of the general cost of living in Romania.

Still, improvements are being made. The social assistance system will be fundamentally changed by the implementation of the minimum income inclusion law, which has been recently adopted by the Romanian Senate (September 2016). The Chamber of Deputies will have the final say on this law, expected to be enforced as of 1 April 2018.

This legislative act integrates all the social aids granted to families and single individuals in difficulty (the minimum guaranteed income + benefits to support poor families + the heating assistance). The law also encourages parents to send children to school, stimulates the employment of persons on the labour market and increases the amount of the aid granted.²⁸³

According to estimates by the Ministry of Labour, the number of inclusion aid recipients will grow by 34% compared to the current number of beneficiaries of social aid, namely from 257,000 to 344,600 families

²⁸² http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_romania_en.pdf

²⁸³ Draft law on minimum inclusion income http://media.rtv.net/other/201603/lege-venit-minim-incluziune_78630600-1_22994200.pdf



and single persons; the average amount of aid will increase by 58% compared to current levels, from 221 lei monthly to 349 lei per month.²⁸⁴

1.2 Unemployment benefit schemes

Overview of the situation as seen by the European Commission:

The majority of the short-term unemployed are not covered by unemployment benefits. Even if passive policies absorb 85 % of the national spending on labour market policies, the coverage of the short-term unemployed by unemployment benefits is estimated to be among the lowest in the European Union. This low coverage reflects both the eligibility conditions for entitlement to unemployment benefits in the case of termination of employment and the large number of uninsured self-employed. The adequacy of unemployment benefits is low and deteriorating²⁸⁵.

Challenges identified by the European Commission:

Labour market conditions improved in 2015. Unemployment is low and the employment rate has been increasing. Long-term unemployment is below the EU average. However, significant challenges remain, especially in relation to the high rate of young people not in employment, education or training and there is limited outreach to activate them effectively²⁸⁶.

What are the recent developments in your unemployment benefit schemes (e.g. decrease/increase in coverage, limitation/extension of the duration of unemployment benefits)? Where do you see gaps in the system?

According to the National Employment Agency, in May 2016, 410,509 unemployed persons (i.e. a 4.61% unemployment rate, an extremely low rate) were registered. The same agency states that the downward trend in the unemployment rate among both men and women is continuing.

284 The social assistance system is fundamentally being changed. Minimum inclusion income emerges, 340,000 families get extra money”, Mihai Nicut, ECONOMICA.NET, 16-03-2016, <http://www.economica.net/sistemul-de-asistenta-sociala-se-schimba-din-temelii-apare-venitul-minim-de-incluziune-340-000-de-familii-vor-primi-bani-in-116435.html#n>

285 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_ro-mania_en.pdf

286 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_ro-mania_en.pdf

However, the unemployment rate is not an accurate indicator of Romanian labour market dynamics. In the first place, the calculation methodology of the unemployment rate in Romania differs from ILO methodology. The ILO says that unemployed persons are persons who are: «without work», «currently available for work», and «seeking work»²⁸⁷. In our country, the unemployment rate doesn't include, for instance, long-term unemployed persons, i.e. persons that cannot find a job after more than 12 consecutive months. At the same time, the population living from subsistence agriculture, meaning 30% of the active population, is not considered to be unemployed, but self-employed, which is misleading – in reality, these persons don't have a job and don't pay contributions to the state budget; yet they are not included in the unemployment statistics. A far more accurate indicator in our view is the employment occupancy rate, which decreased to 59.80% in the first quarter of 2016 from 61.40% in the fourth quarter of 2015²⁸⁸. Therefore, the grim reality is that more than 40% of the active population who could work is currently unemployed and this rate has an upward trend.

Unemployment benefits in Romania, according to Law no. 76/2002, are updated as follows (there are no recent developments on this aspect):²⁸⁹

- six months for people who have contributed for at least one year/ or for graduates of educational institutions and special schools;
- nine months for people who have contributed for at least five years;
- 12 months for people who have a contribution of more than ten years.

Regarding the amount of the monthly allowance for the unemployed, the law provides that it is set differently according the contribution period, as follows: 75% of the ISR (ISR = 500 lei / €112.3) for people who have contributed for at least one year; ISR 75% of the

287 <http://laborsta.ilo.org/applv8/data/c3e.html>

288 http://www.insse.ro/cms/sites/default/files/com_presa/com_pdf/somaj_ir_16.pdf

289 <http://www.euroavocatura.ro/legislatie/1231/Legea-76-2002-Actualizata-2016-privind-sistemul-asigurarii-pentru-somaj-si-stimularea-ocuparii-forței-de-munca>



value plus an amount calculated by applying - to the average gross monthly basic salary for the last 12 months of the contribution period - a percentage to vary according to the length of employment: 3% for persons with a contribution of at least three years; 5% for persons with a period of at least five years; 7% for individuals having less than ten years; 10% for people with a period of at least 20 years.

As for the gaps in the system for a low employment occupancy rate, it is very difficult to pinpoint the culprits. However, we could say that it all starts with the disharmony between the labour market and the education system. The disappearance of the crafts school and the promotion of a theoretical system which focuses on diplomas and not on the practical skills required by the labour market could be an explanation for low employment. Another explanation could be the deindustrialisation of Romania; many persons have lost their jobs and can no longer find a place in the economic structure of the country²⁹⁰.

1.3 Pensions

Overview of the situation as seen by the European Commission:

The increased participation of older workers in the labour market is essential considering the projected doubling of the old age dependency ratio by 2050 and the steep reduction in the average replacement rate of pensions²⁹¹.

What are the recent developments in your pension system (e.g. increase/decrease of the retirement age, increase/decrease in coverage/level of pensions)? Where do you see gaps in the system?

The retirement age in Romania is 65 for men and 63 for women and there are no recent developments on this. The minimum contribution period is 15 years, while the complete length of contribution is 35 years, regardless of gender.

290 Liviu Voinea, The end of illusion economics: crisis and anti-crisis. A heterodox approach, Publica, 2009

291 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_ro-romania_en.pdf

At the end of 2015, Romania had 5.3 million pensioners and the ratio between the average number of retirees on state social insurance and employees was 1:1²⁹². However, 2016 has brought some important legislative changes, such as: a general increase in pensions by 5% in terms of money and a new calculation method which increases the amount received for partial anticipated pensions (not an incentive for increasing seniors' employment rate)²⁹³.

The senior population is an underused resource in the Romanian economy, which makes it difficult to reach the goal of an employment rate of 70% by 2020. In Romania, the employment rate among the active population aged between 55 and 64 years is 9 percentage points lower than the EU average.

The relatively low employment rate of the elderly population in Romania can be attributed to a multitude of factors related to both national policies and social perceptions of this segment of the population. Promoting a higher degree of employment among the older population will require therefore a changing of social attitudes (which is very difficult and requires a lot of time), a review of current laws and regulations, changes in companies' human resources policies, organisational changes in the physical environment at work and implementation of policies on lifelong learning for seniors. All of these actions are foreseen in the 2015-2020 National Strategy for promoting active aging and protection of the elderly, which is currently unfolding²⁹⁴.

1.4 Indebtedness of households

Overview of the situation as seen by the European Commission:
After several years of decline, credit to households

292 <http://www.gandul.info/stiri/sistemul-de-pensii-in-echilibru-fragil-care-este-acum-raportul-pensionari-angajati-14738302>

293 <http://www.gandul.info/stiri/veste-buna-pentru-pensionari-guvernul-a-aprobat-majorarea-pensiilor-din-2016-14914391>

294 http://www.mmuncii.ro/j33/images/Documente/Transparenta/Dezbateri_publice/2015-07-15_Anexa1_ProiectHG_SIA.pdf



returned to positive growth rates in 2015. Tighter credit standards as a consequence of the repairing of banks' balance sheets, combined with high pressures on households to reduce their debt, kept the growth of credit to households in negative territory throughout 2012-2014. Progress in the banks' balance sheet clean-up, combined with lower interest rates, led to the gradual recovery of loans to households. Credit to households returned to positive growth rates from January 2015²⁹⁵.

What are recent developments in the level of household indebtedness? Do you know about reasons for these developments? Are there policies in your country to target this problem? What are your recommendations to improve the situation?

According to the Financial Stability Report of April 2016, the level of household indebtedness (in terms of available income or total household wealth) continued to decrease compared to the previous Report, reaching levels comparable to or below those in the Eurozone. On the other hand, taking into account the fact that a significant share of bank credits is given to people with an income below the average salary and the standard of living for these people is significantly lower than the European average standard (Romania having one of the highest social inequality indicators in Europe), the level of indebtedness doesn't have the same degree of sustainability as the European one has and requires careful monitoring.

The banks have made efforts to assist debtors whose high indebtedness has led to difficulties in the repayment of loans. Banks have also continued to proceed with the refinancing and restructuring of loans, the volume of exposures to such operations reaching an increase of 10.5% in June-December 2015. The loans concern predominantly consumer needs credits secured by real estate guarantees (44% in December 2015), followed by consumer loans not secured by mortgages (34%) and mortgage loans (22%).

Real estate loans were the only category of loans granted by banks in Romania over the last year which recorded an increase, according to the National Bank
295 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_romanian_en.pdf

of Romania. The spectacular growth of credits stock, with 7.3 billion RON last year, was largely due to mortgage loans guaranteed by the state through the First House Programme (the down payment is only 5% in this case)²⁹⁶. Since the launch of the programme in 2009 and until the end of July 2016 some 195,905 guarantees, totalling RON 16.7 billion, have been granted by the state²⁹⁷. The programme was almost threatened with extinction, due to the controversial law on debt discharge approved by the Parliament recently (the law allows for the discharge in full of any loans contracted by a natural person and secured by a mortgage arrangement), but it was exempted from the law.

Still, the implementation of the law on debt discharge represents a major downward risk to macroeconomic developments, in general, and it is important to say that major banks have already increased the down payment for mortgage loans to between 25-40% as a protective measure²⁹⁸. At the same time, 75% of banks expect the law on debt to equity swaps to lead to a moderate decline in housing prices, while 20% of them predict a significant fall, according to the ARB & EY Banking Barometer – 2016 edition. Only 5% of banks believe that this law will not affect the price of housing²⁹⁹. It is clear that the law has created panic among banks, but also among people who want to purchase a house, because of the 25-40% down payment for dwellings other than First House Programme. The funds for the First House were spent very quickly at the beginning of the year and people who still wanted to buy houses were only left with the 25-40% option, which is a very high price for a lower/middle class family in Romania (in Bucharest, for instance, usually

296 <http://www.bancherul.ro/creditele-pentru-locuinte,-singurul-tip-de-imprumut-in-crestere-din-bilanturile-bancilor-pe-perioada-ultimului-an;-creditele-de-consum-si-finantarele-pentru-firme,-in-scadere--16044>

297 <http://www.romaniajournal.ro/ministry-of-finance-wants-to-supplement-the-first-house-programme-by-ron-500m/>

298 <http://www.romaniajournal.ro/banks-increase-down-payment-for-mortgage-loans-in-view-of-law-on-debt-discharge-coming-into-force/>

299 <http://www.romaniajournal.ro/75-pc-of-banks-expect-the-law-on-debt-to-equity-swap-to-lead-to-moderate-decline-in-the-price-of-housing-survey-says/>



apartments start from 50,000 euros). The good news is that a couple of weeks ago the Ministry of Finance proposed supplementing the ceiling for the First House Programme by 500 million RON³⁰⁰. The Minister also announced that in October a medium-term strategy for the programme, of five years, will be finalised, so that all parties could make longer term plans and have more predictability.

2. PROVISIONS FOR DECENT WORK IN YOUR COUNTRY TO GUARANTEE THAT PEOPLE CAN EARN A LIVING AND AVOID IN-WORK POVERTY

2.1 Minimum wage

Overview of the situation as seen by the European Commission:

The minimum wage was kept frozen in the crisis years of 2009 and 2010. Its level recovered in 2011 and increased only moderately in 2012. From 2013, the minimum wage started increasing sharply, at an average annual rate close to 15 %. It went from RON 700 (~EUR 162) in 2012 to RON 1050 (~EUR 235) since July 2015. Over the same period, the nominal average wage grew around 6 %, while consumer price inflation substantially declined, entering into negative territory in mid-2015. In relative terms, the minimum wage grew from 34 % of the average wage in 2012 to about 43 % in 2015. After having postponed a further increase initially announced for January 2016, and following discussions with social partners in the National Tripartite Council, the government issued on 30 December 2015 a decision raising the minimum wage to RON 1250 (~EUR 276) from May 2016. This is expected to bring the minimum-to-average-wage ratio close to 50 %. Such a level would stand out among Romania's peers, as new Member States frequently face a strong heterogeneity of educational attainment and thus also wages. According to a press release of the Ministry of Labour, its policy intention is to bring this ratio to 60%³⁰¹.

Challenges identified by the European Commission: Under Romania's Labour Code, the statutory minimum wage (the 'national minimum gross basic pay') is set by government decision after consultation with trade unions and employers' organizations. A monthly rate is set for the normal work schedule, from which the corresponding hourly rate can be derived. No ex-

300 <http://www.digi24.ro/stiri/economie/bani-afaceri/prima-casa-ar-putea-fi-suplimentat-cu-500-de-milioane-de-lei-565305>

301 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_romania_en.pdf

ceptions or derogations from the national minimum have been laid down. The law does not prescribe any particular timing or frequency of adjustment. The government is free to decide if and when to revise the level of the minimum wage. Although social partners are formally involved in the process, there are no established criteria guiding the decision on how the level of the minimum wage should be set. In practice, the consultation of social partners has often amounted to a simple communication from the government of its political decisions³⁰².

Is there a minimum wage scheme in your country? If yes, is the level of minimum wage adequate in your opinion? Where do you see gaps and possibilities for improvement?

In May 2016 the Romanian Government increased the statutory minimum wage to 1,250 lei (€277). However, Romania has the eighth highest labour taxation rate in the European Union although the average gross wage in the country is the second-lowest in the EU. For each €1 net that an employee in Romania gets at the end of the month, the employer must spend €1.76. The €0.76 difference goes to the state as social security tax and income tax.

According to the latest Infographic conducted by Social Monitor, a project of the Friedrich-Ebert-Stiftung Romania, the majority of contracts which were recorded in Romania by March 2016 (86%) were below the average salary, while almost half (44%) of contracts are at or below the minimum wage. More accurately, in March 2016, 5,337,819 contracts (86%) were below the average wage – i.e. below 2,879 RON gross salary (calculated by National Institute of Statistics) and 2,717,078 contracts were at or below the minimum wage. Less than a quarter of the contracts recorded are for salaries higher than the average wage, and their percentage/proportion has been slightly decreasing in recent years - from 13% (783 282) in 2014 to 12% (731 457) in 2016. However, according to the infographic, contracts on the minimum wage rate tripled from 2011 to 2015 - while in 2011 only 8% of contracts were

302 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_romania_en.pdf



based on the minimum wage, in 2015 the percentage had risen to 27%. In absolute numbers, this means an increase from 444,110 contracts based on the minimum wage in 2011, to 1,571,363 in 2015³⁰³.

According to the law, it is forbidden to pay a salary below the legal limit but certain practices such as registering contracts for part time instead of full time allow the employers to hire a person with a contract below the minimum wage.

A new emergency bill on public sector employees' wage-setting was adopted on 8 June 2016, despite opposition and protest from trade unions.

The need to adopt the new regulations came about due to the fact that since the framework law on salaries in the public sector (284/2010) came into force the minimum national statutory wage has doubled, leading to wage inequities in relation to the level of education and professional activity. Around 30% of the employees paid from budgetary funds (around 650,000 employees) benefit from salary increases.

The emergency ordinance was adopted on 8 June 2016 (20/2016), but it did not meet the expectations of all public employees. Sanitas Federation, the representative union federation from the health sector, the trade unions from the public administration (FNSA), and the trade unions in education were strongly critical of the emergency ordinance as it would further widen the salary gap between employees on low and high incomes. Ordinance 20/2016 comes into force on 1 August 2016, but it is likely that discussions between the government and trade unions from public administration, education and health regarding the wage reform in the public sector will continue over the next few months. The emergency ordinance increased the salaries of workers in the health system by 25%, and all public sector wages by 10%, if they have not previously benefited from other increases. Only state employees in central and local government, employees in the national security, gendarmerie, police, emergency

303 <https://monitorsocial.ro/indicator/numarul-de-angajati-creste-dar-ponderea-remuneratiei-salariatilor-scade-2016/>

inspectorates and units of culture and theatre are to benefit from the 10% salary increase.

2.2 Reconciliation of work and private life

Overview of the situation as seen by the European Commission:

The situation of families in Romania is improving, although challenges remain with regard to the financial aspects of reconciling work and family life. A unitary system of social assistance is in place at the national level, (Law no. 292/2011 of social assistance system) which is available for all families, focused more on social assistance benefits which create incentives for parents for returning to work, yet there is insufficient access to care services for children. Romanian law on the protection of children's rights places major importance on preventing a child being separated from its family. The main responsibility in this respect lies with the Public Social Assistance Service³⁰⁴.

Challenges identified by the European Commission: *Romania has recently modified legislation on the unemployment insurance system and on job growth in order to better integrate active and passive labour market policies. The legislation currently includes two measures for supporting parents' participation in the labour market. The first measure refers to free of charge vocational training provision for people who get back to work after parental leave for children with disabilities aged two or three. The second measure refers to financial incentives for employers that offer employment opportunities to the sole provider in single parent families³⁰⁵.*

What are recent developments in provisions for maternity and paternity leave in your country (e.g. increase/decrease in coverage/level and duration of benefits, improvements for paternity leave arrangements)? Where do you see gaps in the system of maternity/paternity benefits? Do you see gaps that make the reconciliation of work and private life more difficult in your country? What are your recommendations to improve the situation?

Maternity leave has a total duration of 126 calendar days and is paid to women who have contributed at least one month in the past year to the public health system. Female employees who are on maternity leave

304 http://europa.eu/epic/countries/romania/index_en.htm

305 http://europa.eu/epic/countries/romania/index_en.htm



are entitled to receive a monthly allowance, which is fully supported by the National Fund for Health Insurance, amounting to 85% of the average income in the last six months. The dismissal of female employees who are pregnant or who have given birth is prohibited.

Currently, dads are entitled to two types of leave following the birth of their baby: paternity leave of five days which can be extended by another ten if they have completed the childcare course performed by their GP and parental leave of up to two years (one of the parents can stay at home and raise the child for up to two years and be paid 85% of their last salary if they have contributed to social insurance for at least one year before the child's birth).

Parental leave and monthly benefits are granted, upon request, to those who had incomes from salaries or incomes from independent or agricultural activities, subject to taxation, for which they have contributed to the insurance fund, over a period of 12 months, in the last two years prior to the child's birth.

The monthly benefit (...) shall be 85% of the average net income achieved in the last 12 months, in the two years preceding the date of the child's birth, and cannot be less than 85% of the gross national minimum wage guaranteed payment».

The legislation on parental leave and monthly benefits changed in July 2016 and became the subject of heated discussions, after a declaration published by the Ministry of Labour. The Ministry of Labour, Family Social and Elderly Protection declared that approximately 250 people, representing 0.17% in child allowances beneficiaries, consumes a third of the budget nationally, the highest allowance amounting to €35,000, since there is no limitation on the benefit imposed by law.

3. NON-DISCRIMINATORY UNIVERSAL ACCESS TO QUALITY AND AFFORDABLE CARE, SOCIAL, HEALTH, EDUCATION AND LIFELONG LEARNING AND BASIC FINANCIAL SERVICES (I.E. ACCESS TO A BANK ACCOUNT)

Challenges identified by the European Commission: Despite a mandatory health insurance system, only 86% of the population was insured in 2014. Health outcomes remain poor due to limited access to healthcare, inefficient use of public resources and widespread corruption. Access to healthcare is particularly difficult, reducing the life expectancy for Roma by seven years compared to the total population.

Credit institutions will most probably significantly increase the requested down payment for loans. Going forward, this will negatively impact the access to credit for natural persons.

Vulnerable groups such as rural communities, Roma, institutionalized children and people with disabilities rank significantly below the general population in access to education³⁰⁶.

What are recent developments in the access to services in your country? Where do you see gaps (e.g. groups of people excluded from access to services, certain services not available in some regions etc.)? What are your recommendations to improve the situation?

Romania is the country with one of the strongest economic growth rates in the European Union but remains an island of poverty in the European Community. This harsh reality is demonstrated by data from a recent report by the European Commission³⁰⁷. Unpredictable legislation, the measures taken for growth in the absence of a budgetary plan, the inconsistent management of human resources, the high rate of school dropouts are just some of the aspects that make Romania a paradox of the EU. According to Eurostat, at the end of last year Romania had the highest quarterly growth in the EU. However, according to European statistics, it is the second poorest country in the bloc.

306 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_romania_en.pdf

307 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_romania_en.pdf



According to the report, the effectiveness of social protection and the health system is limited. Social transfers have a limited impact on poverty reduction and the provision of social services is insufficient. The inadequacy of social benefits is hampered by the lack of a coherent adjustment mechanism.

Progress on the activation and labour market integration of social assistance beneficiaries was limited. The result is that much of the population remains in poor health owing to limited access to health services, the inefficient use of public resources and widespread corruption. For people without an identity card it is difficult to access public services and benefits (many Roma people lack the IDs but Governmental and non-governmental projects are being developed to reduce their number).

The existence of unaccredited institutions (churches, private schools) is tolerated, as well as discriminatory practices (refusal of banks to open accounts for immigrants for the payment of salaries and social benefits in Romania, the imposition by law of the condition to have Romanian citizenship to be a sworn translator or to being married to a Romanian citizen to practice other occupations etc.).

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SERBIA

INTEGRATION OF THIRD-COUNTRY NATIONALS

1. TOOLS/PROGRAMMES IMPLEMENTED FOR THE INTEGRATION OF THIRD COUNTRY NATIONALS

Overview of the situation as seen by the European Commission:

As Serbia's borders have changed over the past two decades, conflicts have produced thousands of refugees and internally displaced persons. Besides these large groups, foreign family members of Serbian citizens and foreign workers have arrived in small but increasing numbers from countries in the region, the EU, and China. Serbia is faced with a constant increase of foreigners who intend to seek asylum in the country. The state has ratified the two ILO Conventions specifically on migrant workers, signed the UN Migrants' Rights Convention, but not signed the relevant Council of Europe Conventions on the legal status of migrant workers, nationality, or participation of foreigners in public life at local level. Serbia's policies are barely halfway favourable for societal integration. Newcomers face slightly more obstacles than opportunities to participate in society³⁰⁸.

The EU main funding instruments to support legal migration and integration of third country nationals are AMIF, ESF, FEAD. In particular, The Asylum, Migration and Integration Fund (AMIF) was set up for the period 2014-20, with a total of EUR 3.137 billion for the seven years. It will promote the efficient management of migration flows and the implementation, strengthening and development of a common Union approach to asylum and immigration³⁰⁹.

The ESF is Europe's main instrument for supporting jobs, helping people get better jobs and ensuring fairer job opportunities for all EU citizens. It works by investing in Europe's human capital – its workers, its young people and all those seeking a job. ESF financing of EUR 10 billion a year is improving job prospects for millions of Europeans, in particular those who find it difficult to get work.

308 <http://old.mipex.eu/serbia>

309 http://ec.europa.eu/dgs/home-affairs/financing/fundings/migration-asylum-borders/asylum-migration-integration-fund/index_en.htm



The European Union is committed to creating more and better jobs and a socially inclusive society. These goals are at the core of the Europe 2020 strategy for generating smart, sustainable and inclusive growth in the EU. The current economic crisis is making this an even more demanding challenge. The ESF is playing an important role in meeting Europe's goals, and in mitigating the consequences of the economic crisis – especially the rise in unemployment and poverty levels³¹⁰.

1.1 Are there specific integration policies implemented in your countries by the national, regional and local level? Which categories of third country nationals are they addressing (e.g. refugees, beneficiaries of family reunification, economic migrants, unaccompanied migrant minors)?

In 2008, the UNHCR included Serbia among the five countries in the world with a protracted refugee situation whose solution requires joint action, and the cooperation of regional countries and the international community. With 86,000 refugees from Croatia and Bosnia and Herzegovina, and 206,000 internally displaced persons from Kosovo, Serbia had the highest number of refugees and IDPs in Europe. In June 2016, according to the official data of the Serbian Commissariat for Refugees and Migration, there were 29,457 refugees from Bosnia and Herzegovina and Croatia.

The reduction in the number of refugees is largely the result of their integration into the Republic of Serbia. About 300,000 refugees have acquired citizenship of the Republic of Serbia. Through the process of return, implemented with varying success in Bosnia and Herzegovina and Croatia, the number of refugees has decreased by another 149,000. It is also estimated that another 49,000 refugees have found refuge in third countries.

Local integration of refugees in Serbia is not only a voluminous, but also an expensive process, the nature and extent of which go beyond humanitarian programmes. The primary responsibility for integration

310 http://ec.europa.eu/dgs/home-affairs/financing/fundings/migration-asylum-borders/asylum-migration-integration-fund/index_en.htm

lies with the Government of the Republic of Serbia. However, the still fragile economy and the high level of poverty of the general population in Serbia create an environment in which it is difficult to set aside sufficient funds for various integration programmes. Therefore it is necessary to attract the attention of international and bilateral donors to support development programmes for the Republic of Serbia. To achieve this, it is essential that the integration of refugees finds its place in the wider system of social and development policy, and that refugees are treated as part of the vulnerable population. As for displaced persons from Kosovo and Metohija, the right to return remains a priority for the Government of Serbia, but the status of long-term displacement has been gradually recognised for the vast majority of these people. After the self-proclaimed independence of Kosovo, the Serbian authorities have continued to invest in the Serbian community and parallel institutions in Kosovo. Due to the sensitivity of the issue, the Serbian authorities refuse any cooperation with bodies associated with Kosovo statehood.

Internally displaced persons (IDPs) are different from refugees both in terms of their status and the way their problems are solved. Since they have not crossed an international border, and in the absence of a binding international system that would protect them, the responsibility for the situation of displaced persons lies primarily in their homeland, which must offer them complete equality with other citizens. In practice, which is the case with Serbia, displaced persons are exposed to numerous problems in exercising their basic civil, economic and social rights, such as obtaining identification documents, realisation of property rights, access to health care, social assistance, rights to adequate housing, etc. Without special protection measures, the legal equality that IDPs reportedly enjoy often leads to discrimination, i.e. the inability to realise human rights and difficulties in accessing public services.

After more than ten years of displacement, the situation of IDPs is further aggravated. Since the Serbian au-



thorities were solely focused on the return of displaced persons to Kosovo and Metohija, the activities of major international organisations were limited to proposing measures within the possibilities of return. The Serbian authorities have often responded to other initiatives by saying that integration projects for the displaced could be considered only when the conditions for their return to Kosovo and Metohija were made possible. The position that the freedom of choice between return and integration could be discussed only when the conditions for the return were met has led to a situation where IDPs have no opportunity to permanently resolve their situation, i.e. they can neither return nor integrate.

Given that open advocacy for the integration of displaced people is seen as a political issue, insisting on access to rights and respect for a dignified way of life is the way for international non-governmental organisations to initiate measures to promote the realisation of the rights of people in places of displacement through contacts with Serbian authorities.

The dialogue between the authorities of Serbia and Kosovo about “technical issues”, as they put it, should result in solutions to at least some of the contentious issues. The current status quo largely hinders the position both of people in Kosovo and IDPs in Central Serbia.

Serbian nationals, mainly Roma, who have been refused asylum or whose temporary protection has been terminated, continue to return from Western Europe. Many have been returning without any property and accommodation after having spent ten or even 15 years abroad. The Strategy and Action Plan for Reintegration of Returnees have been adopted, but the issue of financing projects that would lead to the humane and safe reception of returnees is still unresolved. The return of these people is carried out according to the obligations undertaken by Serbia with readmission agreements as one of the steps towards European integration. Readmission agreements relate primarily to people who should be forcibly deported, and formally do not include people who have returned “volunta-

rily” and those who have complied with the orders of Western governments to leave the country and avoid being returned by the police.

Western countries and Serbia lack reliable, timely, comprehensive statistics and an analysis of real and assumed numbers of returnees to Serbia, their needs, socio-economic status, demographic characteristics and place of origin in Serbia or in Kosovo and Metohija. The problem of returnees in a way overlaps with the minority Roma issue in Serbia, since the majority of returnees are Roma. These people do not have a system of social networks that would support their reintegration in society. Moreover, due to the long period they spent abroad, the fact they do not speak the language and are deprived of their property, returnees are an especially vulnerable group within the Roma population.

The Asylum Act was adopted as part of legislation that was to be enacted to fulfil the “Schengen Criteria”, in November 2007. The law came into force on 1 April 2008. Although Serbia is still not formally bound by the standards established by the EU directives and regulations in the field of asylum, the existing law was developed in compliance with the standards.

From the moment the Asylum Act began to be applied until the end of 2010, there was a steady increase in the number of registered asylum seekers in Serbia. Since the beginning of the migrant crisis, Serbia has been identified as a transit station for a large number of irregular migrants on their way to Western Europe.

The increase in the number of irregular migrants in Serbia has resulted in a growing number of asylum applications, which is a consequence of (in) sufficient knowledge of the asylum system among the people who find themselves in the territory of Serbia. The behavioural pattern of the majority of these individuals provides the basis for the claim that in most cases, according to asylum applications (expressed intent), they were so-called irregular migrants without any real intention to seek asylum in the Republic of Serbia. Of course this does not lead to the conclusion that among them there are no and will not be persons with



proper grounds for seeking asylum.

Serbia is currently preparing a national strategy for the integration of refugees from the Middle East, but no concrete measures have yet been taken.

1.2 How are EU funds for asylum, migration and integration (AMIF) allocated in your countries? Which categories of third country nationals are they addressing (e.g. refugees, beneficiaries of family reunification, economic migrants, unaccompanied migrant minors)?

As an EU candidate country, Serbia doesn't have direct access to AMIF.

1.3 Are NGO's involved by national and local authorities in the development and implementation of integration programmes? In particular, are NGOs consulted on the allocation of EU Funds for integration programmes (e.g. AMIF)?

As stated above, a national strategy for integration is being prepared and it is indicated that the NGO sector will be consulted and involved in some stages with the development and implementation of the integration programmes.

2. DISCRIMINATION AND INTERCULTURAL COEXISTENCE

Overview of the situation as seen by the European Commission:

Serbia has enacted broad anti-discrimination laws, which all residents and newcomers can better use to secure more equal opportunities in practice. Serbia's 2009 Law on the Prohibition of Discrimination applied EU legal standards (2000/43/EC and 2000/78/EC) and involved significant domestic and international pressure. Similar to the majority of MIPEX countries, Serbia protects people against most forms of discrimination in all areas of public life. People of different racial or ethnic backgrounds, religions, or nationalities should be treated equally in all areas, though with weaker protections for multiple discrimination (see AT, BG, UK). Serbia also has slightly favourable mechanisms to enforce the law. Though the procedure remains long and complex, victims can benefit from financial assistance, shifts in the burden of proof, and alternative dispute resolution procedures. If victims cannot take the case themselves, they can look to NGOs for

support and class actions. Judges have the full range of sanctions at their disposal in cases of discrimination. The major weaknesses in Serbia and many European countries are the equality policies and powers of the equality body. Serbia's Commissioner for Protection of Equality cannot investigate the facts of a case, lead its own investigations, or make binding decisions. In addition, the Serbian state could do more to promote equality through social and civil society dialogue, equality duties, and compliance monitoring (see PT, ES, UK, and Nordics).³¹¹

2.1 Are there movements/campaigns/initiatives in your country in favour or against the integration of third country nationals? What is your evaluation of them?

In 2015, over 600,000 refugees and migrants travelled through Serbia, the majority of whom aimed to seek asylum in the EU. Despite some improvements in implementing the Asylum Law, the authorities failed to provide effective access to international protection. Of 485,169 registrations, only 656 applications for asylum were submitted, and mostly discontinued; of 81 refugees interviewed by the end of November, 16 were granted refugee status and 14 subsidiary protection. In July, as thousands of refugees entered the country daily, a registration centre was opened at Preševo, near the Macedonian border. Reception conditions were inadequate for the numbers arriving, and insufficient care was provided to vulnerable individuals. Most refugees travelled directly to the Hungarian border until September, when Hungary introduced restrictions on asylum for those entering from Serbia, which it considered a safe country of transit. Refugees then headed for the EU through Croatia. Police continued to ill-treat and financially exploit refugees and migrants. In November, the authorities allowed only Afghan, Iraqi and Syrian nationals to enter the country; others arbitrarily identified as economic migrants were denied entry.³¹²

Currently, there are several projects implemented in Serbia by different CSOs, aiming to protect asylum seekers, especially unaccompanied minors, from discrimination by developing effective support and anti-dis-

311 <http://old.mipex.eu/serbia>

312 <https://www.amnesty.org/en/countries/europe-and-central-asia/serbia/report-serbia/>



crimination policy for asylum seekers and unaccompanied children migrants. Local CSOs are mostly working on prevention and protection from discrimination and violation of human rights through networking with national and local institutions. Serbia's policies are barely halfway favourable to societal integration. Newcomers face slightly more obstacles than opportunities to participate in society. Serbia ranks alongside other very new and small countries of immigration in the region, such as Bulgaria and Hungary. Serbia's anti-discrimination legislation has contributed the most to integration, as is the case in other Central European countries with similar laws. People are not allowed to commit ethnic, racial, religious or nationality discrimination in many areas of life, while potential victims can seek justice through slightly favourable enforcement mechanisms. Also, foreigners can benefit from comparably inclusive conditions to become Serbian nationals. Still, the state is rather discretionary when it comes to the law in its procedures for naturalisation, long-term residence, and family reunion, as happens in many Central European countries. In Serbia, temporary foreign workers, families, and permanent residents miss out on key rights guaranteed in EU countries due to EU law (e.g. Single Residence and Work Permit Directive, Family Reunion Directive, Long-Term Residence Directive). Furthermore, most immigrants receive hardly any extra support to get further training, help their children in school, or participate in political life.

2.2 What are your recommendations to fight discrimination and to promote intercultural coexistence in your country?

Information campaigns addressing asylum seekers and unaccompanied minors should be enhanced and conducted not only by CSOs, but also by local authorities; educational activities and training (focused on international and regional anti-discrimination standards in the context of migration) should be provided for CSOs, local, national and regional authorities to build their capacities and awareness; monitoring and advocacy activities (anti-discrimination policy and practice regarding asylum and migration) should be

enhanced; finally, the most important thing is to continue raising awareness about the fight against discrimination of asylum seekers and unaccompanied children migrants (through campaigns and public events) in order to sensitise the local population about rights and the situation migrants find themselves in, because, in the end, it's the local community that has to accept migrants in order for their full integration to be possible.

DEVELOPMENTS IN SOCIAL PROTECTION SYSTEMS

1. ADEQUATE INCOME SUPPORT IN YOUR COUNTRY AS A BASIS FOR SOCIAL PROTECTION OVER THE LIFESPAN OF A PERSON TO FIGHT POVERTY AND ENSURE ACTIVE INCLUSION

1.1 Minimum income

Challenges identified by the European Commission: *SILC data show that social transfers decreased the at-risk-of-poverty rate by 7.3 percentage points in 2013 and by 6.4 percentage points in 2014. Poverty depth indicators were measured only for the studies on absolute poverty, these data show that poverty depth moved from 1.1% in 2011 to 1.7% in 2014, with the peak value of 1.9% in 2012 (SIPRU, 2014, 2015). These relatively low values of poverty depth indicate moderate poverty; still, these indicators are based on the Households Budget Survey which is not representative for the coverage of poverty³¹³.*

Is there a minimum income scheme in your country? If yes, is the level of minimum income adequate in your opinion? Where do you see gaps and possibilities for improvement?

The minimum income scheme in Serbia is directed at the poorest of the poor. In Serbia this scheme is called financial social assistance (FSA). It aims at providing a legally guaranteed level of social security, paid to make up the difference between family income and the guaranteed level. It is a means-tested and centrally administered scheme financed by the state budget. Beneficiaries are citizens of the Republic of Serbia

313 "ESPN Thematic Report on minimum income schemes Serbia"; 2015 ; European Commission.



whose income is below the minimal level of social security determined by the Law. Foreigners and stateless persons may become beneficiaries in accordance with international agreements/law. Permanent residence in Serbia is required, although exceptions are made for internally displaced persons who are treated as temporary residents. The minimum income scheme is not dependent on age.

The scheme is not adequate. When FSA benefit is compared to the value of the Minimum consumer basket (for a three member household) in July 2014, which amounted to €295.4, it is again evident that FSA benefit does not provide adequate resources to cover minimum living expenses. Similar conclusions about adequacy were drawn from the beneficiaries' survey conducted for a World Bank study where about 82% of the individuals surveyed estimated that the FSA benefit covers one-third or less of their needs. FSA is ineffective in getting people out of absolute poverty or even reducing the risk of poverty (relative poverty). It is also low compared to the legal minimum wage. Families with four children can get close to the minimum wage (and with the child allowance even pass it) but all other types of families are far from it. There are also huge regional inequalities. FSA is close to or even higher than some salaries in less developed regions. This is a consequence of low protection of social and economic rights. On the other side, FSA is far less adequate in more developed parts of the country, e.g. in Belgrade, where the costs of living are much higher. In the end, the programme itself is not sensitive to the position of people who rent apartments and are burdened with additional living costs.

Possibilities for improvement:

- **Increasing coverage.** There is an implicit policy consensus in Serbia that the FSA ought to be reviewed against the benchmark of the absolute and not the relative poverty line because of the fiscal constraints (the government wouldn't be able to sustain social assistance with such high expectations vis-à-vis coverage) and administrative obstacles (almost one-third of the GDP is produced in the informal economy and administrative provi-

sions are insufficient to improve coverage without high spill over). Increase in the overall coverage is further hampered by the low wages and pensions.

- **Reconsidering property census.** One of the immediate steps that needs to take place is reconsidering the land census and mortgage policies. These measures are not fully implementable due to the cultural constraints, lack of information among beneficiaries and inadequate utilisation of mortgaged land. On the other hand, some land has no particular market value and this also needs to be taken into consideration through e.g. categorisation of land.
- **Reconsidering the application procedure.** Certain groups face obstacles in fulfilling administrative requirements for application, e.g. Roma and victims of domestic violence often do not have a registered place of residence, Roma people often do not have ID cards, taxes for issuing various administrative proofs (e.g. cadastre report) are high etc. It was suggested that measures be introduced to enable the Roma population to be enlisted in national citizenship registers.
- **Addressing adequacy.** The adequacy of the FSA is questionable, especially where the living costs are higher. In less developed areas, levels of FSA often come close to wages, especially in the informal sector. Due to high unemployment, there is a downward pressure on wages, particularly for low skilled work. Low wages and low minimum pensions are strong factors perceived as obstacles for increasing the levels of FSA. Therefore, minimum income can be improved by promoting employment and increasing wages.
- **Clearer policy goals.** At this stage, it is not clear whether the policy intentions of the government are to reduce the number of beneficiaries and fiscal burden or increase it with the enacted legal changes (primarily related to the regular indexation of the threshold), because there are divergent practices across the country. This ambivalence was reflected in our research and a strong statement was made that this should be addressed by the ministry in charge.



- **Activation policies.** Interviews indicate the need to further improve activation policies aimed at beneficiaries who are able to work (by adoption of bylaws needed for the implementation of activation policies and better linking of National Employment Service and Centres for social work). This will increase incentives for work. However, some refinements need to be included with regards to the criteria of eligibility. For example, some beneficiaries are unable to work due to chronic illness and this needs to be taken into account in future policies.
- **Making links to other systems.** It was noted that some measures need to take place in cooperation with e.g. health care system and employment sector. E.g. the majority of municipal short-term financial assistance schemes are actually subsidies for medication and medical treatments which imply inefficiency of the health care system in addressing the needs of the poor.
- **Reconsidering the three months gap policy.** Many families receive FSA for nine months of the year as the majority of their members are capable of work. However, many cannot find jobs in this period and then they rely on one time (short term) assistance from the municipality. The municipalities often use this programme to bridge the three months gap in the social assistance scheme.
- **Information dissemination.** Numerous beneficiaries are not aware of the rights and requirements necessary for the fulfilment of these rights. Outreach activities by social work centres and non-governmental organisations would be beneficial.

1.2 Unemployment benefit schemes

Overview of the situation as seen by the European

Commission:

Under the Law FSA (Financial Social Assistance) right is universal, irrespective of employment status. Consequently, eligibility depends on the realised income, which includes unemployment benefits and income from employment. If the unemployed claimant enters formal employment, the benefits will be either decreased or withdrawn, depending on the level of the reported wage. A claimant is under the obligation

to report any relevant changes concerning income level. At the same time, the NES (National Employment Service) office, which keeps the records if the registered unemployed person is an FSA beneficiary, is responsible for forwarding any information regarding changes in the beneficiary's employment status to the CSW (Centres for Social Welfare)³¹⁴.

What are the recent developments in your unemployment benefit schemes (e.g. decrease/increase in coverage, limitation/extension of the duration of unemployment benefits)? Where do you see gaps in the system?

Officially, in Serbia the unemployment rate is around 20%. The gap between the supply and demand of a skilled workforce remains and Serbia's education system continues to produce a workforce that doesn't necessarily correspond to the needs of the economy. As a consequence, the main features of the labour market are high unemployment among people with lower and intermediate education, and worryingly high long-term and youth unemployment - above 50%. The National Employment Action Plan for 2013, adopted in December, gives priority to youth employment and to redundant workers.

The Law on Employment determines that the National Employment Service («NES») and the employment agencies are the authorities primarily responsible for in employment in Serbia, conducting activities such as: informing on potential employers' and employment conditions, mediation in employment, professional orientation and career counselling, execution of active employment measures and issuance of work permits for foreigners working in Serbia.

Additionally, NES is in charge of insurance in the case of unemployment, keeping records on employment etc. NES is also obliged to provide the employer and unemployed person with information on regulations in force and the rights, obligations and liabilities of employers and employees and their associations related to employment and insurance within the period

314 «ESPN Thematic Report on minimum income schemes Serbia » ; 2015 ; European Commission.



of unemployment as well as advice on methods and procedures for realising relevant rights and the fulfilment of obligations thereof.

Rights and obligations of unemployed persons

An unemployed person has generally the following rights: rights before the NES in respect of his/her employment, the right to participate in programmes and measures of active employment policy, rights related to insurance in case of unemployment, etc. The obligations of the unemployed person are to actively look for employment, to set their own individual employment plan with the NES, to participate in the active measures of employment policy, not to refuse offers of adequate employment and adequate education and training, etc.

Insurance in case of unemployment

This right includes financial assistance for a certain period of time, health, pension and disability insurance, as well as other rights in compliance with the NES Law and General Act. Compared to the previous Law, the adopted solutions regarding financial assistance are more restrictive in respect to entitlement to financial aid, length of its payment and its amount. Thus, the employees whose employment has been terminated on the basis of mutual agreement initiated by the employer are not anymore entitled to receive financial assistance. Also, the amount of financial assistance, for its whole duration, is now limited to 50% of the employee's average salary in the six months prior to termination. Finally, unlike the previous Law, the new Law on Unemployment determines that the amount of financial assistance cannot exceed 160% or be lower than 80% of the minimum income determined in the Republic of Serbia.

Depending on the years of an unemployed person's insurance, the Law on Unemployment determines the following durations of financial assistance:

- 3 months for 1 to 5 years;
- 6 months for 5 to 15 years;
- 9 months for 15 to 25 years;
- 12 months for period longer than 25 years;
- 24 months if the unemployed person needs 2

years of insurance to fulfil the conditions for retirement (new law).

During the period of financial assistance, the unemployed person is also entitled to health, pension and disability insurance. The basis for payment of these contributions is the amount of financial assistance, while their calculation and payment is conducted by the NES.

1.3 Pensions

Overview of the situation as seen by the European

Commission:

«Persons with personal income» do not belong to the group of active persons but receive a regular income such as pensions, property revenue or other personal income³¹⁵.

Challenges identified by the European Commission: *Considerable savings have already been made from the cuts in pensions, but the 2014 pension fund deficit remained large. As a part of fiscal consolidation measures, all pensions above RSD 25 000 (approximately EUR 210) were progressively reduced in November 2014. The measure affected about 39 % of pensioners. Amendments to the Law on Pensions and Disability Insurance and the budget system law, adopted in December, provide that pensions will not be raised until the ratio of pension expenditure to GDP falls below 11%³¹⁶.*

What are the recent developments in your pension system (e.g. increase/decrease of the retirement age, increase/decrease in coverage/level of pensions)?
Where do you see gaps in the system?

The Serbian pension system is the single largest expenditure item in the state budget, and Serbia had the second-highest pension spending-to-GDP ratio in the Europe and Central Asia region at 14% in 2012, second only to Ukraine. The problems include a benefit level that is too high and eligibility conditions that allow more than half of new retirees to retire below the nor-

315 http://ec.europa.eu/agriculture/external-studies/2006/applicant/serbia_en.pdf

316 http://ec.europa.eu/enlargement/pdf/key_documents/2015/20151110_report_serbia.pdf



mal retirement age of 65 for men and 60 for women. Both the benefit levels and the retirement age were addressed in the 2003 and 2005 pension legislation, but those efforts proved to be insufficient to resolve the problems. In 2009, which was the last year in which comparable data are available, Serbian pension spending per beneficiary averaged 63% of GDP per capita, while the average for all European and Central Asian countries, including Western Europe, stood at 46%.

In 2010, the Parliament approved new legislation that gradually raises the earliest retirement ages and limits the indexation of pensions to bring the benefit levels closer to international norms, thus enhancing the fiscal sustainability of the pension system. Although the changes introduced in the new law are rather modest in scope, it is a step in the right direction. Along with a mandatory pension system, there is also a voluntary (third pillar) pension system supervised by the National Bank of Serbia. Since 2008, the Serbian pension system has been administered through a single Pension and Disability Fund of the Republic of Serbia (PDF), established through the consolidation of three formerly separate funds (for employees, the self-employed, and farmers). The recently enacted Law on Pensions brings Serbian law closer to compliance with international norms for pension provision. One of the country's weakest areas in its pension policy was the high degree of early retirement. The new law continues to allow for early retirement but provides an actuarial adjustment for those who choose this option, as other European countries do.

1.4 Indebtedness of households

Overview of the situation as seen by the European Commission:

SILC data show that social transfers decreased the at-risk-of-poverty rate by 7.3 percentage points in 2013 and by 6.4 percentage points in 2014. Poverty depth indicators were measured only for the studies on absolute poverty, these data show that poverty depth moved from 1.1% in 2011 to 1.7% in 2014, with the peak value of 1.9% in 2012 (SIPRU, 2014, 2015). These relatively low values of poverty depth indicate moderate poverty; still, these indicators are based on the Households Budget Survey which is not representative

*for the coverage of poverty*³¹⁷.

What are recent developments in the level of household indebtedness? Do you know about reasons for these developments? Are there policies in your country to target this problem? What are your recommendations to improve the situation?

Non-performing loans ("NPLs") have continued to accumulate since the financial crisis in 2008. According to official statistics maintained by the National Bank of Serbia ("NBS"), the percentage of NPLs increased slightly in the first quarter of 2015 compared to the fourth quarter of 2014, amounting to a total of approximately €3.6 billion in the first quarter of 2015 which means that it is 1.1% more than in the fourth quarter of 2014. A majority of NPLs are from the corporate sector – 24% as of Q1-2015, the vast majority of which relate to loans granted to construction companies (50.8% out of total corporate NPLs as of first quarter of 2015). Private individuals account for 10.76% of the overall percentage of NPLs in the market statistics as of the first quarter of 2015.

So far regulators have introduced various measures on different levels to assist in the resolution of NPLs, however the approach was not comprehensive enough and therefore did not have a significant impact. In particular, the Law on Consensual Financial Restructuring enacted in 2011 was under-utilised and some improvement of the legal framework for out-of-court corporate debt restructuring is currently being considered. With the support of the IMF, the World Bank and the EBRD³¹⁸, the Serbian Government recently formed a working group which prepared a comprehensive national strategy to address NPLs (the "Strategy"). The undertakings of the Republic of Serbia in this respect were set out in the Memorandum signed with the IMF in February 2015 ("IMF Memorandum") and the strategy was adopted in August 2015.

317 "ESPN Thematic Report on minimum income schemes Serbia » ; 2015 ; European Commission.

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Certain legislative interventions that were recognised as needed in relation to NPLs and agreed with the IMF have already commenced. For instance, the deficiencies that were present in the Mortgage Law affecting the enforceability of mortgages for several years (including by subsistence of lower ranked mortgages) were finally addressed by the amendments adopted in July 2015. These amendments are aimed at improving out of court foreclosure and creating incentives for debt restructuring. Besides this, amendments to the Law on Bankruptcy and introduction of a law on personal insolvency are being considered to ease corporate and household debt resolution. In addition, the new Law on Enforcement introducing among others, termination of the enforcement procedures which were not finalised within two years as of initiation, is under public discussion while amendments to the Law on Consensual Financial Restructuring are also being considered. Among other regulatory changes introduced in 2015 it should be noted that, after five years, the Law on Banks was amended.

2. PROVISIONS FOR DECENT WORK IN YOUR COUNTRY TO GUARANTEE THAT PEOPLE CAN EARN A LIVING AND AVOID IN-WORK POVERTY

2.1 Minimum wage

Overview of the situation as seen by the European

Commission:

The countries are divided into three groups based on the level of their minimum wages. The first group includes countries whose minimum wages were lower than EUR 500 a month: it is composed of four candidate countries (Albania, Montenegro, the Former Yugoslav Republic of Macedonia and Serbia) and ten of the EU Member States (Bulgaria, Romania, Lithuania, Hungary, the Czech Republic, Latvia, Slovakia, Croatia, Estonia and Poland).

In Serbia, the hourly minimum net wage is fixed. The following conversion is applied: (hourly net rate x 40 hours x 52.2 weeks) / 12 months. This value is then grossed up to cover applicable taxes³¹⁹.

Is there a minimum wage scheme in your country? If yes, is the level of minimum wage adequate in your

319 http://ec.europa.eu/eurostat/statistics-explained/index.php/Minimum_wage_statistics

opinion? Where do you see gaps and possibilities for improvement?

Regarding minimum wage, Serbia is among the group of countries with low minimum wages, and the amount is below that of the majority of EU countries and some countries in the region, such as Montenegro.

Minimum wages in Serbia decreased to €233.37 per month in the second half of 2016 from €233.57 per month in the previous six months. Minimum wages in Serbia averaged €235.13 per month from 2012 until 2016, reaching an all-time high of €239.24 per month in June 2013 and a record low of €232.90 per month in December 2014.

Covering basic consumer needs, envisaging only basic costs and essentially leaving no room for items such as education, requires just over one and a half minimum wages, while average consumer needs require three minimum wages.

With unemployment near 20%, depending on the quarter, and an activity rate officially increasing and slightly above 50%, salaries make up 48% of the income of an average Serbian household, while pensions reach nearly a third (29.2%).

The average salary is slightly more than twice the minimum wage. Salaries in the public sector in Serbia are higher than in the private, but after the salary cuts in the public sector in late 2014 the difference is now less than in most European countries. The sector with the highest salaries in Serbia is information and communication: programme activities and broadcasting pay a salary of 85,000 dinars, telecommunications 83,800 dinars and computer programming and consulting 169,343 dinars. At the other end of the scale are accommodation and catering services with incomes of 27,768 dinars.

Recently, two of the biggest representative trade unions in Serbia started an initiative to increase the hourly cost of labour to 140 dinars, which is strongly



opposed by the Association of Employers of the Republic of Serbia. Even though we believe this is a step in the right direction, it is not nearly enough to cover even the basic needs of a family. With no steady economic growth in the country, no serious changes to the minimum wages can be made, thus the overall economic situation of Serbian families remains fairly difficult.

2.2 Reconciliation of work and private life

Overview of the situation as seen by the European Commission:

On equal opportunities between women and men, amendments made to the labour law in July 2014 help to empower women at work, help working mothers to reconcile family and professional life, and offer greater protection to pregnant workers. However, the legislation needs to be fully implemented, particularly regarding the dismissal of pregnant women and women on maternity leave, sexual harassment, the gender pay gap and inequality in promotion, salaries and pensions. Women's participation in the labour market as well as the gender pay gap need to be tackled further³²⁰.

What are recent developments in provisions for maternity and paternity leave in your country (e.g. increase/decrease in coverage/level and duration of benefits, improvements for paternity leave arrangements)? Where do you see gaps in the system of maternity/paternity benefits? Do you see gaps that make the reconciliation of work and private life more difficult in your country? What are your recommendations to improve the situation?

Female employees are entitled to maternity leave, and child nursing leave of a total 365 days for the first and second child and two years for the third and every consequent child. Also, female employees are entitled to two years of maternity leave if in one delivery they give birth to three or more children. The same applies if a female employee gives birth to one, two or three children and in second delivery gives birth to two or more children. Fathers have the right to take paternity leave. A father may take paternity leave when the

320 http://ec.europa.eu/enlargement/pdf/key_documents/2015/20151110_report_serbia.pdf

mother abandons the child, dies, or for other legitimate reasons is not unable to exercise this right (e.g. serving a prison sentence, is seriously ill, etc.) or is unemployed.

During maternity leave, a woman has the right to maternity pay. According to the Financial Support to Families with Children Act, the amount of maternity pay is equal to the average basic salary paid in the past twelve months prior to the month in which maternity leave was taken, and increased on the basis of time spent at work for each full year of work up to a maximum amount of five average salaries in Serbia. During pregnancy and maternity leave and child nursing leave, an employer cannot terminate an employee's contract of employment.

In addition if an employee is in fixed-term employment, such employment is automatically extended to the end of such leave. Upon returning from maternity leave an employee continues working under the terms and conditions applicable until maternity leave was taken unless there have been changes introduced through an annex to the contract of employment. However, it is worth noting that the Labour Act guarantees special protection rights to those breastfeeding. Namely, where a woman's daily working hours amount to six or more, employers must allow for one or more daily breaks totalling 90 minutes to a woman who has returned to work before her child's first birthday so that she can breastfeed the child. Alternatively, the employer may shorten the working hours by 90 minutes. Daily breaks and reduced working hours are counted as working hours, while remuneration therefore is included in the basic salary, increased by longevity pay (minuli rad).

Also, a breastfeeding woman may not perform work which, pursuant to a medical report by the competent medical authority, is harmful to her health and that of her child, and especially work requiring the lifting of weight, or which exposes her to harmful radiation and vibrations.

In such cases the employer has a duty to assign "appro-



appropriate" work to those employees or refer them to paid leave. Also, a breastfeeding woman may not work at night or overtime if such work would be harmful to her health or that of her child pursuant to a medical report from the competent medical authority.

The Labour Act further provides that the parent of a child under three years of age may work overtime or at night only where they provide written consent to do so. Moreover, a single parent who has a handicapped child under the age of seven may not work overtime or at night without prior consent in writing. Finally, an employer may reschedule the working hours of an employed woman during pregnancy and an employed parent with a child younger than three years of age only with his/her written consent.

Employees may have the right to parental leave when a child needs special nursing i.e. is severely handicapped. Such an employee has the right to be absent from work or to work part-time once maternity leave ends and to be absent from work for child-nursing purposes until the child reaches the age of five.

Also, either the parent or guardian or a person looking after a person affected by cerebral palsy, infantile paralysis, any form of paraplegia or muscular dystrophy or other serious disease may work less than full time at his/her own request, subject to the opinion of the competent public health authority.

In Serbia, there is a relatively high percentage of women and men who experience strain-based conflict between work and private life. Serbia has a large percentage of the population that is experiencing conflict between commitments to work and private life (85% of women and 77% of men).

It is possible that it has something to do with the organisation of work and inflexible working hours.

Private life, to a certain extent, is shaped by daily household tasks and their distribution among family members. Housework may be a significant additional burden for women if they perform all the housework, particularly if they are employed. Difference in the contribution of men and women to housework in Serbia (50%) is above the EU average.

The number of working hours during the week is one of the key factors that determine work-life balance and employees in Serbia show preferences toward shorter working time because they would like to work less per week. Within the same working time arrangements, women have more difficulties in reconciling work and private life as a result of their greater engagement in unpaid work compared to men. Women spend more hours compared to men performing unpaid work (for all forms of unpaid work), which certainly affects the possibility of achieving a satisfactory balance between work and private life. Differences between men and women are considerable, especially when it comes to housework and, to a lesser extent, babysitting. It is not just the frequency of performing these tasks, but also the number of hours spent doing these jobs.

When it comes to the availability of flexible working time arrangements, a considerably smaller percentage of employees in Serbia have the opportunity to use various forms of flexible working time arrangements compared to the EU average. As in the EU, in Serbia, different forms of flexible working time arrangements are more available to men than to women. Women have more difficulties in balancing work and private life in relation to men.

Serbia has a very high percentage of employees who are faced with problems either at work or at home. Serbia has an extremely large percentage of employees who experience conflict between work and family life (85% of women and 77% men), which is explained by the organisation of work and inflexible working time.

We believe that the introduction of various forms of flexible working time arrangements are important for overcoming the difficulties in balancing work and private life. In addition, the development of infrastructure and better access to support services (e.g., child care, adult care, transport) also play a significant role.



3. NON-DISCRIMINATORY UNIVERSAL ACCESS TO QUALITY AND AFFORDABLE CARE, SOCIAL, HEALTH, EDUCATION AND LIFELONG LEARNING AND BASIC FINANCIAL SERVICES (I.E. ACCESS TO A BANK ACCOUNT)

Overview of the situation as seen by the European Commission:

The poor financial situation of the public health fund puts the sustainability of the sector in question. Shortages of medical and administrative staff in primary healthcare centres pose difficulties, especially in rural areas. Greater human resource management and organisational capacity is needed, and a national plan for human resources in the health sector needs to be implemented. New programmes of specialisation and professional development should be developed³²¹.

The education system has remained inefficient, physical infrastructure underdeveloped and the informal sector and state aid are substantial. Serbia needs to improve the quality of the education system, gearing it towards labour market needs, stimulate private investments and speed up the implementation of public infrastructure projects. It needs to better regulate para-fiscal charges and provide a transparent framework of state support to the private sector, redirecting it towards efficient and horizontal objectives, such as support to SMEs and research and development³²².

What are recent developments in the access to services in your country? Where do you see gaps (e.g. groups of people excluded from access to services, certain services not available in some regions etc.)? What are your recommendations to improve the situation?

The health care system in Serbia is based on universal health coverage. Those insured in the health care system can be divided into two groups. The possibility for all citizens to access health care is one of the characteristics of all post-communist countries, regardless of social status. The Serbian healthcare system has been severely under-funded for many years and consequently the standard of available healthcare is of poor quality. As in many less developed countries, Serbia has a lack of resources in almost all sectors and health care is no exception. Outdated equipment, lack of

321 http://ec.europa.eu/enlargement/pdf/key_documents/2015/20151110_report_serbia.pdf

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devices for diagnosis of different types of diseases, lack of mobile beds and lack of materials used in operating rooms are just some of the problems that are caused by a lack of investment in health institutions and the health care system over the years.

In addition to a lack of material resources, which are often covered by patients regardless of their financial situation, Serbia also has a problem due to immigration of medical personnel. According to the World Economic Forum, Serbia's ability to retain talent is very low. Latest data shows that Serbia is in 141st place with a score of 1.8 for «brain drain» (people with specific expertise leaving the country) and doctors are, in addition to engineers and IT experts, one of the main groups that are leaving the country. In addition to the lack of experts and doctors, service delivery in some areas is very limited due to demographic changes. In rural areas in particular, where the population is usually elderly and with limited economic resources, access to health care is difficult both in regard to the mobility of the patients as well as the funds needed to travel to health facilities. Lack of resources and failure to adapt to newly formed circumstances, especially in rural areas, leads to a drastic reduction of the quality of life of people.

An analysis of the accessibility of health care in Serbia shows that there is an unequal treatment of patients, specifically certain vulnerable groups. Residents of rural areas are one of these vulnerable groups. While lack of funds in the health care system puts older residents in particular in a difficult situation, other barriers are also evident in relation to other groups. Specifically, Roma and internally displaced persons (IDPs) often do not have access to health care due to a lack of residential documents and thus the inability to obtain a health insurance card.

Discrimination of vulnerable groups such as Roma, elderly, persons with HIV infection or poor people, exists at all levels - from the National Health Insurance Fund (NHIF) to health care centres and medical workers. Even though the problem of Roma and IDPs in



relation to documentation has been recognised by the law and special provisions have been put in place, they are often refused the proper documents by the NHIF due to their own interpretations of the law. Moreover, members of these groups are often uninformed about their rights because they often live in a situation of social exclusion and do not know whom to contact with complaints. The main consequence of this discrimination is that several vulnerable groups have difficult access to health services, while other are experiencing numerous problems once they are admitted to some form of care. These forms of problems include harsh treatment and humiliation by medical staff, lack of attention and thereby inadequate care, and sometimes increased waiting time and difficult procedures. In some cases, patients avoid the health care system altogether because they do not think that it will provide them with the support that they need.

Also, one of the most common problems, not only in healthcare system but also in the other institutions, is corruption. Given that the health of every individual is key to the well-being of that individual and their family, this data is rather alarming. Although several problems are related to the direct lack of resources which are issues that are difficult to overcome, there are also problems which are independent of this factor. Namely, discrimination and corruption cause unequal treatment of patients. Especially vulnerable groups who are often discriminated and socially excluded in numerous spheres of life, hereby become highly vulnerable and insecure. The practical physical well-being of people is also highly connected to their quality of life and ability to provide for themselves and their families, and not to undermine, to live a life in dignity.

In order to improve the human security of people in Serbia it is essential to invest in and re-organise the health care system.

When it comes to education, in Serbia it is free through to the secondary level but compulsory only from preschool through to age 15. Ethnic discrimination and economic hardship discourage some children

from attending school. In Roma and poor rural communities, girls are more likely to quit school earlier than boys.

Also, there is an overall mismatch of the supply and the demand on the labour market due to the fact that education policy is not based on real labour market needs. Inadequate, inflexible and too lengthy educational programmes, as well as the lack of cooperation and coordination between all relevant stakeholders, result in over education, skill mismatches and poor labour market outcomes for high school and university graduates, who are insufficiently prepared for labour market demands.

There should be an emphasis on the reform of education in order to improve the supply of skills and meet the expected increased demand for employment in industry and in the tradable sector in general. In addition, an emphasis should be put on higher investments in science and innovation as the current resources devoted to those are extremely limited. The current state of affairs has turned investment in skills into investment in the brain drain.

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SLOVAKIA

INTEGRATION OF THIRD-COUNTRY NATIONALS

1. TOOLS/PROGRAMMES IMPLEMENTED FOR THE INTEGRATION OF THIRD COUNTRY NATIONALS

Overview of the situation as seen by the European

Commission:

SK is one of the last EU Member States to adopt even a 'concept' of integration in 2009 and eventually a policy in 2014. It has not made any major progress on promoting integration since 2007, other than strengthening the anti-discrimination laws. In fact, the 2007 Citizenship Act significantly restricted the path to citizenship. Only 1 of the 18 changes on immigration policy since 2010 improved SK's MIPEX score, but this amendment was both introduced and removed in the same year³²³.

Challenges identified by the European Commission:

SK's integration policies raise major doubts about their effectiveness. Integration is weak from the very beginning, with weaker rights for labour migrants and reuniting families in SK than in most countries. School and health practitioners receive hardly any guidance when they have to serve SK's very small number of immigrant pupils and patients, since education and health are largely missing from SK's integration strategies. Most non-EU citizens are allowed to vote, but excluded from democratic life, despite the benefits that immigrant leaders and volunteering can bring to SK society. The lowest and most inequitable naturalisation rates in Europe keep most non-EU citizens in a relatively insecure status, with potentially negative side-effects on their integration outcomes. SK's anti-discrimination law is its one strength for integration, but too few people know about discrimination and their rights to take even the first step towards justice. Little else is known about these policies' effects on immigrants and their integration, as data and evaluations are also missing in SK³²⁴.

1.1 Are there specific integration policies implemented in your countries by the national, regional and local level? Which categories of third country nationals are they addressing (e.g. refugees, beneficiaries of family

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reunification, economic migrants, unaccompanied migrant minors)?

Integration strategies are developed at multiple levels, such as national, regional and local level. In practice these strategies often struggle with several problems.

The new integration policy of the Slovak Republic was approved by the Government of the Slovak Republic's Resolution no.45 of 29 January 2014.

The aim of this policy is to provide citizens of the Slovak Republic with information about the legal status of foreigners who are granted long-term residence status in Slovakia, in accordance with The Common Basic Principles for Immigrant Integration Policy in the European Union.

As this is a cross cutting theme which relies on the involvement of a number of entities, the integration policy constitutes a systematic policy framework which aims to ensure the implementation of measures put in place to make the process of the integration of foreigners more effective. The effective integration of foreigners will enable society to use the potential of foreigners beneficially as well as to prevent potential radicalisation.

The integration policy also has a preventive role to play in society, as within its aims and measures tools are being identified to prevent the risk of economic, social and cultural divisions, and the formation of excluded and closed migrant communities, while ensuring that the legal norms of the Slovak Republic and the European Union, and international norms, are observed. The emphasis is on raising awareness about the life of foreigners in Slovakia and about protection against discrimination, racism and xenophobia. At the same time, there is a focus on the regional and local level, as municipalities play an important role in the process of integrating foreigners and creating social cohesion between different communities and mainstream society.



The integration policy is based on the principles of equality, justice and respect for the human integrity of every inhabitant of this country, while being an essential programming document in the field of the integration of foreigners based on human rights principles. In terms of elaboration of targets and specific measurements, the integration policy is going to be detailed in Action Plans in order to take into account the actual needs of the target groups as identified by the relevant actors. According to the author Stefancik, who carried out a deeper analysis of the problem studied in 2012, the government authorities have made sufficient steps to support the preservation and protection of the cultural diversity of all groups.

The problem is also that there is only a low level of acceptance of indigenous minorities by Slovakian nationals and the opinion leaders of some political elites. We see it as positive that there is already a discussion about the need to welcome migrants in light of the effects of demographic change and the loss of manpower in certain sectors of the national economy.

1.2 How are EU funds for asylum, migration and integration (AMIF) allocated in your countries? Which categories of third country nationals are they addressing (e.g. refugees, beneficiaries of family reunification, economic migrants, unaccompanied migrant minors)?

In August 2015, the European Commission adopted 23 national multiannual programmes within the framework of the Asylum, Migration and Integration Fund (AMIF) and the Internal Security Fund (ISF). These measures may include projects of common return and reintegration within AMIF or the establishment of consular cooperation within the ISF. The Slovak Republic was incorporated in seven programmes and as a Member State draws financial resources from the funds to support the efforts of both legal and illegal migration return, asylum, border management and integration.

1.3 Are NGO's involved by national and local authorities in the development and implementation of integration programmes? In particular, are NGOs

consulted on the allocation of EU Funds for integration programmes (e.g. AMIF)?

NGOs are involved in the integration process managed by national and local authorities. Associations contribute to open dialogue on this issue and focus specifically on the following objectives:

- Encourage an open dialogue and the transmission of high-quality, timely and accessible information on a regular basis at the national level: The project envisages regular meetings of experts on migration and integration at all levels (state representatives, NGO representatives, experts, communities of foreigners, etc.)
- Support for improving the exchange and availability of information from abroad: The project is directly involved in the activities of the platform of professionals from other countries, which passes on its expertise and experience in areas that have been identified as significant in the further development of migration and integration. Whereas it is planned to prepare a new integration policy to replace the current concept of integration in Slovakia, the project directly responds to the requirements arising from the activities of the platform of professionals and anticipates the participation of foreign experts whose experience will have a direct impact on the quality of the new concepts.
- The development of a communication strategy and communication tools in the field of migration and integration: One of the goals of the project is to explore the possibilities of developing a communication strategy and communication tools in the field of migration and integration in Slovakia. It's an ambitious target, as this is an issue which is underdeveloped in Slovakia and so far it has not been given wider attention. For successful integration, it is necessary that the general public understands its benefits and added value.
- Increasing public interest and involvement in the topic of migration and integration: This is the target that is directly related to the previous specific goal. The aim of the project is the development of existing communication tools, support and impro-



vement in order to increase public interest in this area and improving the quality of information that is available to the public. Implementation of these activities will thus have a direct impact on improving the integration of the target group through the involvement of mainstream society.

2. DISCRIMINATION AND INTERCULTURAL COEXISTENCE

Overview of the situation as seen by the European Commission:

According to the 2012 Eurobarometer, around 5% of people in SK felt they had been discriminated against or harassed in the previous year based on their race/ethnic origin (4%) and/or religion/beliefs (1%). This number of potential victims of racial/religious discrimination in SK was similar to other European countries (e.g. BG, HU, RO)³²⁵.

Challenges identified by the European Commission:

Rejected in 2002 and 2003, the anti-discrimination law (ADA) was required by the EU and eventually passed in May 2004, immediately after SK joined the EU. This relatively new legislation is SK's major areas of strength for integration policy. Amendments continues to strengthen SK's approach on anti-discrimination, with the 85/2008 amendment improving all legal dimensions and the 32/2013 amendment expanding the list of positive actions. Still, potential victims of discrimination have only a slightly favourable path to justice (72/100), with laws weaker than in other leading countries and ranking just 15th out of the 38 countries. So far, SK has implemented a rather weak equality policy & body, meaning that potential victims and the general public are poorly informed about discrimination and their rights to bring forward cases³²⁶.

2.1 Are there movements/campaigns/initiatives in your country in favour or against the integration of third country nationals? What is your evaluation of them?

In Slovakia, there are a number of associations' initiatives on migration. The best known and most active international organisation is the International Organisation for Migration (IOM). It has been active in Slovakia since 1996, when agreement was reached on cooperation between the IOM and the Government of the Slovak Republic. Their activities can be summarised as follows:

325 <http://www.mipex.eu/slovakia>

326 <http://www.mipex.eu/slovakia>

as follows:

- MIC - Migration Information Centre (integration of migrants);
- AVR - Assisted voluntary return and reintegration;
- THB - Preventing human trafficking and assistance to trafficked persons;
- EMN - European Migration Network (studies, annual reports, ad-hoc queries);
- Others: - Resettlement research, workshops, awareness campaigns, capacity building (state administration, local government, cultural mediators).

The aim of these initiatives is to help foreigners to integrate into society and the labour market.

The target group are third-country nationals with permanent / temporary / tolerated stay in Slovakia and applicants for residence in Slovakia.

Furthermore, the Migration and Information Centre provides the following free basic services:

- Legal advice;
- Employment and social counselling;
- Cooperation with foreign communities;
- Support for Education (Contributions to training and retraining courses, Slovak language courses and socio-cultural orientation).

Other activities of the Migration and Information Centre include:

- Training of relevant actors in the field of migration;
- Commenting on draft laws, concepts and strategies of policy cooperation;
- The organisation of conferences, workshops and seminars.

The most problematic aspects that the MIC faces are:

- Annual increase in the number of migrants of approximately 50%;
- Residence documents, employment, family (frequently asked questions);
- Lack of awareness of foreigners (legislation, administrative procedures);
- Difficulties in accessing information (e.g. about social assistance) experienced by foreigners due to



- language barriers;
- Complicated laws (different interpretations) and administrative procedures;
- Insufficient links and cooperation between offices.

The European agenda for integration of third country nationals has therefore identified shared goals, rights, employment, basic language knowledge (history and institutions) and education as a contribution to better integration,.

2.2 What are your recommendations to fight discrimination and to promote intercultural coexistence in your country?

Integration is a dynamic two-way process of mutual adaptation by immigrants and Member States. Therefore, it is possible to follow a number of principles. Based on the recommendations of the integration of immigrants in Europe - fundamental rule of law initiative- there are a few essential principles: Respect for the basic values of the European Union. Employment as a key element of the integration process and assistance in the participatory processes of integration, similar to the benefits for the majority. The decisive factor in successfully preparing immigrants and their children is to educate them. Education in this case plays also an important preventive role for the rest of the population, as a means of helping eliminate discrimination and the fear of the unknown.

Preventing discrimination in practice, promoting equal treatment and enforcing protection from discrimination requires consistent, coherent and clear legal provisions combined with institutional prevention, promotion and enforcement mechanisms. The Race Equality Directive designates such a mechanism in the form of specialised bodies to promote equal treatment, which must carry out their functions independently. Such bodies are to assist victims of discrimination in pursuing their complaints, conduct surveys and make recommendations concerning discrimination. As most Member States have yet to set up or designate such a body, attention must be paid to their legal basis, range

of powers and funding³²⁷.

DEVELOPMENTS IN SOCIAL PROTECTION SYSTEMS

1. ADEQUATE INCOME SUPPORT IN YOUR COUNTRY AS A BASIS FOR SOCIAL PROTECTION OVER THE LIFESPAN OF A PERSON TO FIGHT POVERTY AND ENSURE ACTIVE INCLUSION

1.1 Minimum income

Overview of the situation as seen by the European

Commission:

The rapid increase in the poverty gap reflects a higher intensity of poverty in Slovakia than in other EU Member States and may indicate shortcomings in the adequacy of the minimum income scheme. The non-indexed benefit in material need is set at a low level and has not been substantially changed for several years³²⁸.

Is there a minimum income scheme in your country? If yes, is the level of minimum income adequate in your opinion? Where do you see gaps and possibilities for improvement?

The 2003 reform led to a fall in the proportion of people covered by the minimum income scheme and in the level of basic benefit. The new scheme has allowed several supplements to be added to this benefit. However, even when these are added on, it does not take the amount to above the poverty line (60% of median income). There have been very few reviews in recent years to check whether this benefit is actually enough to cover basic living needs. And there has never been universal agreement among policy makers on what should constitute basic living needs either. A slight shift occurred in the last few years when the Ministry of Labour and Social Affairs established a working group for the "reconstruction of the subsistence minimum". However, the working group failed to come up with any new idea of how the subsistence

327 <http://www.oecd.org/migration/mig/15516956.pdf>

328 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_slovakia_en.pdf



minimum could function.

1.2 Unemployment benefit schemes

Overview of the situation as seen by the European Commission:

To be entitled to unemployment benefits an unemployed person needs to register in the local labour office and has to pay unemployment insurance contributions for at least 2 years during the last 3 years (4 years in case of temporary employment). This constitutes the longest contribution period required in the EU³²⁹.

Challenges identified by the European Commission:

The short-term unemployed covered by unemployment benefits is estimated to be 18 %, 19 pps. lower than the EU average. Eligibility conditions are strict and replacement rates after 6 months of unemployment are low compared to the EU average³³⁰.

What are the recent developments in your unemployment benefit schemes (e.g. decrease/increase in coverage, limitation/extension of the duration of unemployment benefits)? Where do you see gaps in the system?

The development of unemployment in Slovakia in the first decade of the 21st century can be divided into two periods:

The first period was characterised by stabilisation and economic prosperity, the growth of the Slovak economy and employment of the population that occurred after 2001 and resulted in a steady fall in the unemployment rate in all districts of Slovakia. In the second period, the positive trend was interrupted (in 2008) due to the world economic and financial crisis which brought a slowdown in economic growth and the demand for products and services, and was accompanied by a sharp deterioration in labour market conditions, with a consequent decline in the employment rate. The crisis has affected all areas of life, reflected in a nearly 7% average increase in

329 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_slovakia_en.pdf

330 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_slovakia_en.pdf

unemployment in all districts of Slovakia. Most significantly it affected the economically weakest and most vulnerable districts of the Juhoslovenske Basin and eastern Slovakia, which consistently have the highest levels of unemployment. Development and regional differences in unemployment rates affect not only the economic and social development of the regions, but also correspond closely with the regional structure of Slovakia.

The main shortcomings of the system could be summarised as follows:

- The system of unemployment benefits has no clear objectives. It lacks a uniform approach that would clearly define priorities and objectives.
- The social system is unnecessarily complicated and non-transparent, increasing the cost of administration. As a result there are cases of parallel multiple social benefits.
- Eligibility rules for state benefits are different depending on the status of the migrant (e.g. migrants arriving from transit countries don't have access to benefits, but long-term residents can benefit from unemployment insurance).

Other groups excluded from unemployment benefits are third-country nationals, such as asylum seekers and persons who have been granted some kind of international protection, tourists and other people who visited the country for a short period, as well as illegal migrants. These people are excluded because the system is based on the principle of merit. According to this principle, in order to receive unemployment benefits, claimants need to have a record of contributions (voluntary or not) to social security, which means it is more difficult for asylum seekers to receive the unemployment allowance. This principle was the first step to reforming the pension system in Slovakia, and led to the transition from social security to social insurance, and the introduction of a reasonable degree of merit in the welfare system while maintaining the primary contribution of solidarity³³¹.

331 https://www.employment.gov.sk/files/slovensky/ministerstvo/integracia-cudzincov/dokumenty/emn-sk_studia_pris-



1.3 Pensions

Overview of the situation as seen by the European Commission:

In July 2015, a minimum pension benefit entered into force, which improves the adequacy of pensions. The pension benefit was expected to apply to some 75 000 pensioners. According to information from the Ministry of Labour, pensions were increased to the minimum pension for more than 36 000 pensioners by November 2015. Nevertheless, in the long term, the adequacy of pensions is set to worsen³³².

What are the recent developments in your pension system (e.g. increase/decrease of the retirement age, increase/decrease in coverage/level of pensions)? Where do you see gaps in the system?

The Social Security system is the compulsory part of the social policy of the Slovak Republic. In addition to the compulsory system there is also the optional so called complementary social security system. This additional system represents a social security superstructure within which benefits and services can be provided to ensure a higher level of pension, (Tomeš, 2010).

A major problem of the Slovak pension system that was identified was the extent of pre-financing of pensions which, given the demographic (ageing population and emigration of young people) and economic developments, can be described as unsustainable. A solution to this situation was the reform of the pension scheme from 2003, known as the Concept. The reform advocated a three-pillar pension system, where the individual pillars perform different functions. The first pillar is based on the principle of solidarity and is based on social security. The second pillar is based on the formation of an individuals' own savings and is related to the enjoyment of property rights. The third pillar is individual and is on a voluntary basis.

The strong point of the system is that the risk connec-

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332 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_slovakia_en.pdf

ted with retirement is insured through multiple income sources. This model reacts to situations of an ageing society and helps prevent the indebtedness of future generations and will thus ensure greater intergenerational justice.

1.4 Indebtedness of households

Overview of the situation as seen by the European Commission:

Indebtedness remains a serious problem among low-income households who take loans from the non-bank financial institutions under unfair lending conditions³³³.

Challenges identified by the European Commission:

In 2015 the Slovak Government adopted the second social package, consisting of 15 measures intended to benefit low-income households. Among other things, it includes a reduction in the VAT rate on selected basic foodstuffs from 20 % to 10 % and subsidised school trips for pupils. However, reduced VAT rates are often not an effective instrument for ensuring redistribution, as they are not targeted. The minimum pension (EUR 269.50) was introduced for people with a record of at least 30 years of pension insurance with a required minimum income. The protective limits for quarterly out-of-pocket payments for prescribed drugs have been reinforced and the coverage broadened for some patients, in particularly those with low income or children up to six years. In order to better protect consumers from abusive or unfair lending practices, supervision of non-bank financial institutions was further reinforced in 2015, and these are now licensed and regulated by the National Bank of Slovakia³³⁴.

What are recent developments in the level of household indebtedness? Do you know about reasons for these developments? Are there policies in your country to target this problem? What are your recommendations to improve the situation?

Slovak households are relatively debt free, at least compared with other euro zone countries. Only Slovenia has a lower ratio of household loans to GDP. In the Trust Index of household indebtedness in the euro

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zone Slovakia is ranked as the second best. An increase in debt occurred in 2011, when Slovak households owed €17.2 billion to financial institutions, representing less than a quarter of GDP. The Slovak market is dominated by housing loans, which make up three quarters of total loans and advances to banks, with obvious repercussions on the debt of the population. The effect of this is a very short history of lending to households, which started to develop dynamically in 2003, but since then indebtedness has been rising fast, even faster than the incomes and savings of households.

The total growth of household debt was lower in 2014 (including leasing and instalment sales) than in 2008. However, this difference is due to other types of debts, such as home loans, which traditionally have a shorter maturity. Overall we are experiencing the fastest period of growth of household debt. Second, the growth of household debt is also unique compared to other EU countries. But not only compared to heavily indebted Western Europe. Credit growth in Slovakia is faster even in comparison with countries of Central and Eastern Europe, whose debt is at a similar level as in Slovakia. In 2014 average credit growth Slovakia was the highest ever in the entire European Union. Moreover, in this period the gap between central Slovakia and Eastern Slovakia widened.

Thirdly, the growth of household borrowing has been significant in recent years in relation to gross domestic product, or to its components such as the final consumption of households. In terms of the share of domestic debt to their final consumption Slovakia is still among the least indebted European economies³³⁵.

335 http://www.nbs.sk/img/Documents/PUBLIK_NBS_FSR/Biatec/Rok2015/03-2015/05_biatic_3-15_rychtarik.pdf; <http://finanza.sk/vyvoj-zadlzenia-slovenskych-domacnosti/>; http://www.nbs.sk/img/Documents/PUBLIK_NBS_FSR/Biatec/Rok2012/2-2012/01_biatic12-2_rychtarik.pdf; https://www.nbs.sk/img/Documents/PUBLIK/OP_01_2013_HFCS.pdf

2. PROVISIONS FOR DECENT WORK IN YOUR COUNTRY TO GUARANTEE THAT PEOPLE CAN EARN A LIVING AND AVOID IN-WORK POVERTY

2.1 Minimum wage

Overview of the situation as seen by the European Commission:

Minimum wages increased fast in 2015 and further in 2016. Overall, wages have increased moderately in 2015. However, the minimum wage rose significantly by 8 % to EUR 380 per month. In comparative terms, the minimum wage as a percentage of average wage in Slovakia is low (35.4 % in 2014) compared with other EU countries, while only a small share of employees (3 % in 2014) are paid minimum wage level³³⁶.

Challenges identified by the European Commission:

In order to offset the impact on labour costs of the minimum wage rise in 2015, employers' health insurance contributions for low wage employees — the so-called health contribution allowance' — were lowered. This also increased the net pay of low wage earners on the minimum wage by EUR 32 per month³³⁷.

Is there a minimum wage scheme in your country? If yes, is the level of minimum wage adequate in your opinion? Where do you see gaps and possibilities for improvement?

In Slovakia, according to multiple sources, the minimum wage will rise in an effort to get the net minimum wage over the poverty threshold. However, this problem is already solved. According to EU statistics on income and living conditions (EU-SILC) in 2015, in Slovakia the poverty-level was €346.5, and this threshold will increase this year to reach €352.5. At the current minimum wage (€405) the net salary of an employee is €355. This fact leads to the conclusion that the minimum wage is not inadequate. Moreover, the increase in the minimum wage can lead to loss of jobs and, therefore, to more people living under the poverty threshold.

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There must be an effort to get the minimum wage to a level of 60 percent of the average wage in the economy. This requirement has two methodological shortcomings. Firstly, the average amount of money earned by workers in a particular industry, or economic area, is €906, which is also very low. Second, there is a need to look at individual regions separately, rather than the whole of Slovakia.

2.2 Reconciliation of work and private life

Overview of the situation as seen by the European Commission:

In recent years Slovakia has pursued several family policies aimed at improving the living conditions of families with children and help reconcile family responsibilities with work. Increasing the employment rate of parents with small children and helping with child-related costs are considered by the government to be the most important objectives of current family policy in Slovakia. Increasing the low birth rate (total fertility rate amounted to 1.3 in 2012) is not an explicit family policy priority: it is seen as a complex issue which requires interventions across several policy areas³³⁸.

Challenges identified by the European Commission:

Several social and family policy reforms during the last decade addressed low labour market participation in the country. Efforts were aimed at various groups, including parents of young children. Mothers have the right to maternity leave of 34 weeks (37 weeks for single mothers, and 43 weeks in the case of multiple births), of which six to eight weeks must be taken before the expected date of delivery. During the period of maternity leave, maternity benefit is provided amounting to 65% of the assessment base (daily earnings calculated on the basis of the previous year, with a monthly ceiling of one and a half times the national average monthly wage). Parental leave can be taken by the mother or the father until the child is three years old. For children with long-term health problems, parental leave can be extended until the child reaches six years of age. Generally the employment rate for women is lower than that for men. The female employment rate is lower in Slovakia than in the most EU countries (54.3% in 2014, compared to the EU-28 average 59.6%); female part-time employment was at 6.9% in 2014, well below the EU-28 average of 32.8% (reflecting the general low availability of part-time work in Slovakia. Greater discrepancies between the employment rates of men and women emerge in the 25–39 age group, the most common ages for starting a family.

Slovakia belongs to the EU countries with the lowest

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employment rate for mothers, remaining below the EU average. While the employment rate for fathers whose youngest child is under six (84.5% in 2014) is close to the EU average (86.5% in 2014), the figure for mothers (38.1% in 2014) is among the lowest in the EU (EU average 60.7% in 2014). It partly reflects the fact that parental leave is to a great extent used by women (only 1–2 % of men take parental leave)³³⁹.

What are recent developments in provisions for maternity and paternity leave in your country (e.g. increase/decrease in coverage/level and duration of benefits, improvements for paternity leave arrangements)? Where do you see gaps in the system of maternity/paternity benefits? Do you see gaps that make the reconciliation of work and private life more difficult in your country? What are your recommendations to improve the situation?

According to § 166 ZP ods.1 the employer must:

- Provide in connection with childbirth and caring for a new-born child (children) maternity leave of 28 weeks.
- Provide for maternity leave for up to 37 weeks, if the woman gave birth to two or more children, or if she is living alone. Maternity leave in Slovakia shall not be less than 14 weeks, it cannot be terminated or interrupted before the expiry of six weeks from the date of birth.

To provide for the care of a new-born child (children) paternity leave benefits from the birth of the child are the same as the benefits for women.

The woman can start maternity leave at the beginning of the sixth week before the expected date of confinement, but not earlier than from the beginning of the eighth week before that date.

The self-employed and students are entitled to receive maternity benefits, but these are more limited.

Men and woman are not entitled to maternity and parental leave when:

- the child is in substitute parental care based on the final decision of the competent authority (e.g. in an orphanage);
- the child is in adoption based on decision of the

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competent authorities;

- the child is in foster care.

Deficiencies in the system of maternity benefits are seen in the case of people working as self-employed. The financial burden related to social security contributions have meant that many taxpayers contribute only the minimum amount, which is then reflected in the level of maternity benefits. For the self-employed it is very difficult to take the decision to establish a family, because they would have limited access to maternity benefit. The requirement that the mother should have had no outstanding debts to the Social Insurance Company in the five years prior to the beginning of their maternity leave slightly improved the situation, but we can see how negative the abolition in 2013 of the possibility of a voluntary contribution was.

The strength of the system is the possibility, under certain conditions, to work part-time and receive maternity benefit. However, during this period of entitlement to maternity benefits the mother/father must have an income that can be considered a basis from which to calculate the amount of maternity benefit.

3. Non-discriminatory universal access to quality and affordable care, social, health, education and lifelong learning and basic financial services (i.e. access to a bank account)

Overview of the situation as seen by the European Commission:

Government efforts to better integrate healthcare services have continued, and forthcoming plans should be judged by their ability to safeguard accessibility and deliver efficiency gains. Progress on e-health and the introduction of the diagnosis-related group (DRG) system of payments has been slow. Indicators for access to healthcare including costs, distance and waiting times are around the EU average. However, the share of out-of-pocket payments in total healthcare expenditure is comparatively high.

Educational outcomes are weak and inequalities appear high in an international comparison. Access to second-chance education has not improved, and low adult participation in life-long learning (3 % vs. 10.7 % EU average in 2014) hinders improving the skills base

of the population and limits labour market prospects of the low-skilled³⁴⁰.

Challenges identified by the European Commission:

The low access to life-long learning and the weak responsiveness of the educational system to labour market needs translates into skills shortages that hold back growth and employment³⁴¹.

What are recent developments in the access to services in your country? Where do you see gaps (e.g. groups of people excluded from access to services, certain services not available in some regions etc.)? What are your recommendations to improve the situation?

In the case of health insurance it is to be noted that entry into the public health insurance system is dependent for some third-country nationals primarily on the type of residence: whether they are a temporary or long-term resident. This concerns only third-country nationals with temporary residence for family reunification, who fall into the public health insurance system only if they are employed on the territory of Slovakia or in a Slovakian business. Other groups of third country nationals subject to assessment for this study always fall within the public health insurance system.

A recent survey among elderly people living in communities found out that this group experience a serious lack of social services. Nearly half of respondents see the main problem in the lack of financial resources of the village. It can be said that elderly people benefit to a lesser extent from access to services. The reasons for that are wider social issues pertaining to the development of services in the village. Communal sources highlight the need for interlinking villages and the accumulation of resources for the purpose of building and developing social services.

The second most common problem is highlighted by

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the lack of workers engaged in social services. One quarter of respondents mentioned it. This is a relatively long-term problem, which is linked mainly to the low pay for this kind of work, the psychological and often physical demands, difficulty in covering the distance between clients' homes, transport and so on.

It is a complex set of problems that can be solved by a better organisation of work and the provision of certain benefits. Staff shortages particularly affect older people from regions with high unemployment, so it can be assumed that there is a sufficient number of potential candidates for the job. Thus it is necessary to create mutually the most favourable conditions pertaining to the flexibility and organisation of working time, place of work, type of service provision, and so on. In this area, the village must be more active than ever.

Research showed that negative opinions prevail. Elderly respondents said that social services were better in

the eighties and nineties. Following the reform of the social system, which started in 2012, social services have been decentralised and the process of transferring responsibilities from the state to lower territorial units and the community is ongoing. More than 43% of respondents assessed the previous system before the reform as positive and see the current situation in social services as worse, 17% see differences and just over 4% reported improvement. In terms of the development of social services and their security therefore it is a significantly negative assessment, although this sort of research often tends to show a degree of idealisation of the past. Respondents in the age group 76-80 assess their current situation worse than any other group - almost half - (49%) saw a deterioration compared to the past. On the other hand, only 27% of those aged 61-65 said that there is an annual deterioration and among them there is also the highest percentage of those who reported an improvement. Assessments across the regions were broadly similar, particularly among residents of small towns³⁴².

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342 <https://www.pulib.sk/web/kniznica/elpub/dokument/Balogova8/.../Bujdosova.pdf> ; www.forumseniorov.sk/sprava%20socialne%20sluzby%20svk.doc ; www.vssvalzbety.sk/userfiles/Konferencie/zbornikkonferenciaZillina2012.pdf



SPAIN

INTEGRATION OF THIRD-COUNTRY NATIONALS

1. TOOLS/PROGRAMMES IMPLEMENTED FOR THE INTEGRATION OF THIRD COUNTRY NATIONALS

Overview of the situation as seen by the European Commission:

Despite the crisis, many policies were maintained and benefited immigrants' social integration in tough times: the right to reunite with family, become long-term residents and, for those from countries with historic ties, to rapidly integrate to the ES democratic community as full citizens³⁴³.

Challenges identified by the European Commission:

Many necessary actions would have been low-cost and ES authorities wasted some time and delayed/discouraged integration for many: e.g. equal and clear access to citizenship for all immigrants (instead created a backlog in an excessively bureaucratic procedure), voting rights and stronger consultation bodies to dialogue with affected immigrant groups and local communities, strengthening the anti-discrimination law and equality body (instead very few complaints) a bridging legal status for those exhausting unemployment benefits (instead those who involuntarily lose their jobs also involuntarily lose their legal status)³⁴⁴.

1.1 Are there specific integration policies implemented in your countries by the national, regional and local level? Which categories of third country nationals are they addressing (e.g. refugees, beneficiaries of family reunification, economic migrants, unaccompanied migrant minors)?

As the Spanish Constitution establishes, there are territorial competences regarding the integration of immigrants. While the Central Administration has exclusive jurisdiction over matters of nationality, immigration, emigration, aliens and right of asylum, Regio-

nal and Local Administrations have jurisdiction over: employment, education, social services, coexistence or participation, all of them fundamental aspects of the integration of foreigners.

In Spain many plans and programmes have been developed for the integration of immigrants at the national, regional and local level. Most of them are aimed at citizens in general, but there also collective actions and specific measures for people from third countries, applicants or beneficiaries of international protection or other vulnerable groups, such as the Roma people or unaccompanied minors.

At national level, the Secretariat General of Immigration and Emigration (DGII) is the body responsible for immigration policy and the integration of immigrants. In order to promote the full integration of foreigners into Spanish society and to strengthen social cohesion, the General Secretariat launched various plans and programmes, the majority of which have now ended. For example, the Fund to support the reception and integration of immigrants and their educational development was launched in 2004 to help regional governments with the integration of immigrants and applicants for asylum. The budget for this Fund was steadily reduced until 2011, when it disappeared. There was also the Strategic Plan for Citizenship and Integration: PECE I (2007-2010) and PECE II (2011-2014), whose main objectives were to promote the full integration of foreigners into Spanish society and social cohesion, reinforcing political integration and ensuring equal access to social resources. This strategic plan contained actions directed not just at foreigners or asylum-seekers, but also at citizens. After the completion of the PECE II, there have been no new strategic plans in terms of integration. Similarly, the Integral Strategy against Racism, 2011-2013, a tool designed to combat discrimination, xenophobia and intolerance, has not been renewed.

The Secretariat General of Immigration and Emigration (DGII) annually announced grants for non-profit social

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organisations aimed at financing programmes for the integration of the immigrant population, mainly in the following areas:

- Programmes aimed at providing integral care for immigrants and basic needs support to further their integration.
- Programmes to support migrants in their search for employment and combat discrimination at the workplace, co-financed by the European Social Fund.
- Programmes co-financed by the EU Asylum, Migration and Integration Fund (AMIF): hosting, immediate needs, orientation and advice, educational issues, inclusion, health, civil participation, equality and non-discrimination, women, among others.

At the regional level, comprehensive immigration plans have been developed, aimed at promoting the social, economic, occupational and cultural integration of immigrants. Some regions such as Andalusia, Valencia, Asturias, Aragon, Catalonia or Castilla-Leon have immigration plans. Those plans aim at promoting the social, economic, occupational and cultural integration of immigrants, as well as participation and intercultural coexistence, while others have not previously had or have completed their specific plans. Regions such as Madrid or Navarre are in the process of preparation or approval of specific plans.

Local councils have played a crucial role in the care of immigrants and their integration, as the level of public administration closest to the citizens. In this sense, some municipalities, such as Logroño, have developed local plans for reception and integration, while others have developed actions and services without any specific measures for immigrants. In general, councils have responded in a way that is closer and better adapted to the reality of their neighbourhoods, by promoting intercultural coexistence and local plans, creating specific services or administrative departments specialised in immigration and cultural diversity.

1.2 How are EU funds for asylum, migration and integration (AMIF) allocated in your countries? Which categories of third country nationals are they addressing (e.g. refugees, beneficiaries of family reunification, economic migrants, unaccompanied migrant minors)?

In Spain, the authority responsible for management and execution of the Asylum, Migration and Integration Fund (AMIF), as well as coordination and communication with the European Commission is the Secretariat General of Immigration and Emigration (Ministry of Labour). For the period 2014-2020 it received an allocation of €3,137.42 million.

According to information from the Ministry of Labour, the national plan adopted by the European Commission for Spain for the period 2014-2020 sets out the following strategies for each of the specific objectives:

1. Strengthen the establishment of the common European asylum system, ensuring efficient and uniform enforcement of the *acquis* of the European Union in the field of asylum and for the proper functioning of Regulation (EU) No. 604/2013, in addition to the development of resettlement projects.
2. Establish and develop integration strategies that cover different aspects of this process, meeting immigrants' integration needs.
3. Develop strategies of return, that include a component of voluntary assisted return and, if applicable, of reintegration.

Some of the actions carried out using AMIF funds for 2014-2015 were:

- Operating refugee reception centres
- Calls of support for international protection
- Centres for the temporary stay of immigrants
- Calls for help for integration
- Calls for aid for voluntary returns
- Forced-return operations carried out jointly with other Member States.
- Syrian refugee resettlement.



The target group of third country nationals are persons legally residing in Spain and persons in the process of obtaining legal residence in Spain (e.g. asylum seekers). Direct relatives are also included.

One of the instruments that Spain used for the management of the AMIF is the call for projects of non-profit organisations. Grants for these projects are intended to finance actions that facilitate the reception and care of people under international protection and the legal migration and integration of nationals of third countries legally residing in Spain.

1.3 Are NGO's involved by national and local authorities in the development and implementation of integration programmes? In particular, are NGOs consulted on the allocation of EU Funds for integration programmes (e.g. AMIF)?

For the preparation and planning of different actions regarding the integration of immigrants, the Administration has requested the participation of social agents, associations, NGO's and experts in this matter. In addition, some of the plans such as PECE II (Central Administration) were the subject of consultations open to all citizens.

On the other hand, at different levels of public administration, there are several bodies that provide for participation, consultation and information in the field of integration, diversity management or improvement of intercultural coexistence. One of them is the Forum for the Social Integration of Immigrants (at Central Administration), some others are the Regional Forum for Immigration in the Madrid Region (Regional Administration) and the Madrid Forum of Dialogue and Coexistence (Local Administration).

Finally, non-profit associations propose programmes and actions to develop different calls for grants from the different administrations.

2. DISCRIMINATION AND INTERCULTURAL COEXISTENCE

Overview of the situation as seen by the European Commission:

The non-reporting of discrimination is the norm across Europe and a greater problem in ES, with a poorly informed public, below-average laws and the weakest equality body in the developed world. Slightly lower than the European average, around 3% of people in ES recently felt that they had been discriminated against or harassed based on their ethnic origin (2.6%) and/or religion/beliefs (0.8%), according to the latest comparable data from 2012 (Eurobarometer)³⁴⁵.

Challenges identified by the European Commission:

ES has weaker anti-discrimination laws and equality policies than 28 out of the 38 countries, nearly 20 points below the average for Western Europe. Non-EU citizens are poorly protected from multiple forms of discrimination, including that based on nationality, in all areas of life, despite being a disadvantaged group disproportionately suffering from the crisis' social and economic effects. These are issues of national interest in such a large country of immigration as ES. Furthermore, ES equality body, created in 2009, has weaker powers to inform and support potential victims than any other body in existence in the 38 countries. Nothing has really changed since 2007, despite promises of reform. This weak mandate undermines the effectiveness of antidiscrimination laws and the government's broad equality commitments. As a result of these relatively new and weak laws and policies, only around one complaint is filed for nearly every 3,000 potential victims of racial/ethnic discrimination in ES³⁴⁶.

2.1 Are there movements/campaigns/initiatives in your country in favour or against the integration of third country nationals? What is your evaluation of them?

Spain has worked on the elaboration of studies and integration campaigns: the Permanent Observatory on Immigration, under the Ministry of Labour, published interesting studies about integration in order to improve their policies on the subject. Citizenship plans have been developed at local, regional and national level. The last plan approved was the Strategic Plan for Citizenship and Integration for 2011-2014. However

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since 2014 all initiatives have been abandoned. Possible reasons for that are the economic crisis and the lack of political interest in migration issues.

The Spanish Observatory on Racism and Xenophobia is under the jurisdiction of the Secretariat General of Immigration and Emigration (Ministry of Labour). It was established by Royal Decree (R.D. 343 / 2012) for working on the following issues:

- Collection and analysis of information on racism and xenophobia for a better knowledge of the situation and prospects of development, through the implementation of an information network.
- Promotion of the principle of equality of treatment and non-discrimination and the fight against racism and xenophobia.
- Collaboration and coordination with various national and international public and private actors linked to the prevention of and fight against racism and xenophobia.

This above is also in line with the Council Directive on the principle of equal treatment between persons irrespective of racial or ethnic origin (Directive 2000 / 43 EC)³⁴⁷.

MPDL and the Spanish strategy group consider the work to combat discrimination on racial or ethnic grounds, which in Spain still has much to do with national origin and migratory movements, to be important. The active prevention and elimination of discrimination is a recent development in Spain, and further investment in awareness as well as legislation and application of sanctions is necessary. In Spain we have worked separately on integration and combating discrimination so far, but the two are deeply connected, with integration serving as a basic tool for the prevention of the discrimination. In addition, it seems that, at a time when efforts to tackle discrimination are being stepped up, social studies and integration policies are relaxing which seems to be an error that could have potentially serious social consequences.

347 <http://www.igualdadynodiscriminacion.msssi.es/home.do>

2.2 What are your recommendations to fight discrimination and to promote intercultural coexistence in your country?

The Spanish strategy group recommends:

- Fostering social integration
- Reinforcing the work on discrimination and linking it to intercultural understanding and integration through the design of campaigns on continued social awareness-raising aimed at the population in general. It further recommends designing awareness-raising campaigns aimed at potential victims of discrimination and denunciation, pursuing the legislative work for the adoption of a comprehensive law and strengthening the role of the local councils and their functions.

DEVELOPMENTS IN SOCIAL PROTECTION SYSTEMS

1. ADEQUATE INCOME SUPPORT IN YOUR COUNTRY AS A BASIS FOR SOCIAL PROTECTION OVER THE LIFESPAN OF A PERSON TO FIGHT POVERTY AND ENSURE ACTIVE INCLUSION

1.1 Minimum income

Overview of the situation as seen by the European Commission:

Minimum income support schemes in Spain remain a set of unconnected programmes with large regional disparities. There are wide regional disparities in delivery arrangements, eligibility requirements and adequacy, with levels of benefits around or below 40 % of the national median income in most regions. Despite the significant increases recorded since 2008, the total number of households receiving minimum income support was less than 1.5 % in 2014, which is well below the estimated number of households in need, considering the very high proportion of jobless households³⁴⁸.

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Challenges identified by the European Commission:

No decisive measures have been taken to promote labour market participation, regional mobility, or to streamline minimum income schemes. Limited progress has been registered in ensuring effective minimum income support schemes that allows smooth transition to the labour market³⁴⁹.

Is there a minimum income scheme in your country? If yes, is the level of minimum income adequate in your opinion? Where do you see gaps and possibilities for improvement?

In Spain there is a minimum income scheme composed of different benefits that respond to certain circumstances and needs. On the one hand, there is the system of social protection under the authority of the Ministry of Labour and Social Security, and on the other hand there is the system of social protection under the authority of the Regional Administration. In the system under the authority of the Social Security Ministry there are benefits to compensate for a lack of income when it is not possible to work (due to temporary or permanent disability, invalidity) or to unemployment (Unemployment Benefits).

The minimum income system falls within the public system of social services of the Regional Administration. This system is decentralised and heterogeneous between the different Spanish regions. Usually meeting the conditions for the minimum income guarantee gives beneficiaries access to other economic benefits that complement these.

A report on Minimum Income for Inclusion by the Ministry of Health and Social Services for 2014 showed: 6,100,386 beneficiaries, with an expenditure of €21,101.5 million. With regard to the evolution of the system from 2013 to 2014, a slight increase of 2.39% can be seen in the number of beneficiaries and a decline of 7.14% in the total expenditure. The report highlights the decline in expenditure on unemployment benefits.

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According to this report, in 2014 the average monthly amount of minimum income was about €420.63. A total of 262,307 people received this minimum income (1.5% more than in the previous year) of which 154,179 were women and 108,128 were men. As regards dependent family members, these reached the figure of 350,211 (7.64% less than in the previous year), of which 191,646 were women and 158,565 men. The total number of recipients of minimum income in the year 2014 was 612,518 (3.93% less than in 2013), of which 345,825 were women and 266,693 were men. The expenditure in the year 2014 was €1,167 million, an increase of 12.15% compared to 2013.

According to the municipal population census, four Spanish regions exceed the ratio of 10 per 1000 inhabitants benefitting from the minimum income scheme.

In relation to whether the minimum income scheme is appropriate or not, it should be noted that according to statistical data the maximum amount of minimum income for a family slightly exceeds the minimum wage (€655.20) and significantly exceeds the public income index ³⁵⁰(€532.51).

According to Eurostat the poverty threshold is set at 60 % of the equivalent national median disposable income (after social transfers). In 2015 the Spanish threshold of risk of poverty for a person (calculated using income data from 2014) was placed at €8,011. For households composed of two adults and two children under 14 years, the threshold was €16,823 annually (€1,402 per month).

These benefits are adequate to overcome situations of severe poverty. However, once this situation is overcome, these people live in relative poverty with no access to economic benefits (families with incomes under the threshold of 60% of the national median income).

It is relevant to highlight the failures of the system of minimum income and propose the following possible improvements:

350 Benchmark used in Spain for the allocation of grants and subsidies based on income (Indicador Público de Renta)



- The heterogeneity of the system of minimum incomes, due to the competencies in the hands of the Region in which the beneficiary lives, does not guarantee equal rights for all citizens, and hinders the mobility of beneficiaries from one Region to another in order to search for a job.
- The lack of connection between the social security system and unemployment benefits during periods of administrative transition.
- Excessive bureaucratisation of the procedure for the application and recognition of the need for the minimum income, and rigidity in the evaluation of requirements are limiting the access of certain socially more vulnerable groups.
- The insufficient amount of the minimum income and its incompatibility with other incomes.
- Inadequate transition between receipt of minimum income and reintegration into the job market.

The proposals of the Spanish strategy group are:

- The improvement of the minimum income scheme as a political priority.
- The minimum income scheme must be coordinated at State level to ensure the constitutional principle of equality regardless of the place of residence.
- Budget increase.
- Cohesion of the social security system for people in situations of social vulnerability.
- Simplify the procedure for and access to the minimum income scheme.
- Design of individual packages according to the real needs of the person. In some cases personal (health) recovery is required before starting the job search and in others the re-entry into the labour market needs to be started from the beginning.
- Compatibility of the minimum income scheme with other kinds of income derived for example from alimonies, disability benefits or income from temporary or part-time jobs that allow an increase in the income of the person/family which helps to overcome situations. The ability to perform a job while receiving the minimum income would avoid

the «loss of real work experience» during periods of minimum income, which negatively affects their prospects of re-entry into the labour market.

1.2 Unemployment benefit schemes

Overview of the situation as seen by the European Commission:

The 2012 reform of unemployment benefits (UB) has reduced UB for the beneficiaries who draw them for more than six months. The reform could lead to an increase in labour supply and boost GDP by 0.3 % in 2020 and employment by 0.41 %. The government balance also could be considerably improved by 1.11 pps. in 2020, as the reform potentially affects both the expenditure and revenue side³⁵¹.

What are the recent developments in your unemployment benefit schemes (e.g. decrease/increase in coverage, limitation/extension of the duration of unemployment benefits)? Where do you see gaps in the system?

After the Reform of the unemployment protection system by Royal Decree-Law 20/2012, measures to ensure budgetary stability and the promotion of competitiveness were taken with a view to integrating the following contributory and non-contributory benefits or allowances:

Unemployment benefits: The scheme is contributory and the level is calculated on the basis of contributions to Social Security and previous working hours. It requires at least 12-months of contributions within the previous six years and it covers a maximum of two years, when a person has contributed more than 2,160 days.

There are different types of unemployment benefits:

1. Unemployment subsidies: characterised by a lack of income. There are several types:

1.1 insufficient contributions: workers who have lost their jobs and have not contributed the 360 days required to qualify for the provision for unemployment

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benefits.

1.2 family help: aimed at unemployed people who have exhausted their unemployment benefits and have family responsibilities.

1.3. allowance for people older than 55 years. This is meant to support people until their retirement, but the beneficiary must comply with all the requirements for access to the contributory pension.

1.4. support for unemployed persons older than 45 years. It is addressed to workers older than 45 years who have exhausted the unemployment benefit without family responsibilities.

2. Subsidies to special groups: returning Spanish emigrants that returned to Spain, people released from prison, people with disabilities, agrarian workers.

3. Extraordinary subsidies

3.1. Active insertion income (RAI-Renta Activa de Inserción) for unemployed people that also have special economic needs and have difficulties getting a job: long term unemployed people, victims of gender violence, people with disabilities and migrants returnees.

3.2. Plan "Be Ready - Prepara". This plan was supposed to be temporary, but it has been extended until the unemployment rate in Spain reaches less than 20%. This plan is designed for unemployed people that have exhausted all the benefits and subsidies. Beneficiaries receive an amount of €400 euros for a period of six months. An essential aspect of this plan is that beneficiaries must take part in vocational training.

3.3. Extraordinary Programme for employment activation. This measure is temporary and may be only requested once. It is aimed at long term unemployed people with dependants at the time of application who have also exhausted all benefits and allowances. The application deadline has been extended to 17 April 2017. The duration will be of six months and the amount is €426 per month.

The data of the Ministry of Employment in April 2016 show that the official coverage of unemployed people has fallen to 52.8%, showing that only slightly more than half of unemployed people receive any unemployment help.

Thus, we highlight the following deficits in the system: Loss of level of income for people on unemployment benefits:

- Reduction in the unemployment benefits starting from the seventh month as a beneficiary: before it was at 60% of the previous income and now it will be 50%. During the first six months it remains at the rate of 70%.
- Those with part-time jobs shall make contributions in proportion to the hours worked ("partial subsidy"). Before the reform, the total subsidy, €426 in all cases, was charged. Lower coverage of subsidies:
- No subsidy for the unemployed older than 45 years who have exhausted unemployment benefits of 720 days of duration.
- It was increased to the age of 55 years from the previous "subsidy for those older than 52 years».
- To determine whether beneficiaries meet the requirement of a lack of income, the amount of legal interest of their money (e.g. inheritance gains) is taken fully into account³⁵².
- Tougher requirements to apply for "Active insertion income" (RAI): only claimants who have previously exhausted their unemployment benefit entitlements can apply for this income (with the exception of those who are returning Spanish emigrants and victims of domestic and gender violence). Thus it leaves out those who have never received unemployment benefit previously, for example, because they have never worked and paid social security contributions.
- Lack of a budget for training to help unemployed people enter the labour market. In many cases training content is related to job search techniques or how to face a job interview, but it is not skill oriented training for the job market.

³⁵² For example, if a claimant of the benefit receives a property as inheritance valued at €600,000, the full legal interest rate of the money (3%) will be applicable to this amount when calculating the incomes of this person. In this case this person would be receiving €18,000 per year (1,500 monthly), so the claimant could not apply for the subsidy because this amount exceeds the monthly income cap of €491.40.



In summary, reforms of the unemployment benefit system have led to a decrease in the quality and quantity of benefits mainly affecting the most vulnerable groups such as long term unemployed people whose rate in Spain reached 11.4%. It is necessary to invest in social protection policies that guarantee an adequate minimum income for those people who will not be able to re-join the labour market, in order for them to have a dignified life. Also it is necessary to promote measures for vocational training.

1.3 Pensions

Overview of the situation as seen by the European Commission:

The 2013 pension reforms in Spain have: (i) restricted access to early and partial retirement, (ii) introduced as of 2019 a sustainability factor, which will curtail the initial pension benefit in line with changes in life expectancy and (iii) introduced a new indexation mechanism for pensions in payment. According to Commission estimates, the increase in labour supply could boost GDP by 0.24 % in 2020 and employment by 0.52 %. The reforms could also improve the government balance (by 0.37 pps. in 2020)³⁵³.

What are the recent developments in your pension system (e.g. increase/decrease of the retirement age, increase/decrease in coverage/level of pensions)? Where do you see gaps in the system?

The main objective of the Toledo Agreement on Pensions (1995) is to analyse the sustainability of the pensions system. The system is based on contributions from companies and workers, but also includes non-contributory elements (like expenses in health and welfare) financed from the public budget.

The successive reforms carried out from 2011 onwards in response to the economic crisis, the consequent increase in public expenditure and the reduction in income derived from contributions as well as the ageing of the population have resulted in an increase in the retirement age and the loss of purchasing power of pensioners.

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The age of retirement will rise progressively until 67 years in 2027. In the current year, the minimum retirement age to receive a full pension is 65 years and four months. Those who have already built up a long working life may still retire on a full pension at 65 provided they have contributed for 36 years or more. The minimum contribution period will be extended by three months for each year until 2027, by which time people will have to have contributed for 38 years and six months in order to receive a full pension.

Pensioners' loss of purchasing power is due to the change in the method for calculating the rise in pensions. The consumer price index is no longer applicable. Instead to calculate the rise in pensions the Pension Adjustment Index will be used. This indicator takes into account factors like: the calculation of the average pension based on the substitution effect (the difference between pensions that cease and new pensions entering the system); the number of pensions; tax revenues; and pension expenditure. The so-called sustainability factor, which takes life expectancy into account, also affects the size of pensions. The need for reform tailored to new challenges like ageing but respecting the right to a decent life in retirement should be a political priority.

1.4 Indebtedness of households

Overview of the situation as seen by the European Commission:

Indebted Spanish households are among the most sensitive in the euro area to a potential interest rate shock. In the current low interest rate environment, the adjustable rate loans prevailing in the Spanish mortgage market accelerated the reduction of the financial burden borne by households. Nevertheless, households in Spain have one of the highest debt-to-income ratios in the euro area (at 110.3 % of gross disposable income in 2015), and are particularly sensitive to a potential interest rate shock. It is estimated that a 300 basis points increase in the interest rate would increase the median debt-service-to-income ratio of indebted Spanish households from around 25 % to 30 %, and more than one third of indebted households would face a ratio greater than 40 %. The household and corporate sectors are reducing their debt burden. Still, leverage remains high in historical terms, making households and firms more vulnerable



to potential adverse shocks, even though the current low interest rates reduce their financial burden³⁵⁴.

Challenges identified by the European Commission:

Looking forward, with the economic recovery going further, the deleveraging is likely to be driven mainly by GDP growth. The flow of new loans to households has been dynamic recently³⁵⁵.

What are recent developments in the level of household indebtedness? Do you know about reasons for these developments? Are there policies in your country to target this problem? What are your recommendations to improve the situation?

The Central Bank of Spain estimated the debt of households at the end of November 2015 to be €733,242 million (in 2008 reached 908,000 million) with around 77% of it linked to housing (accounting for €564,200 million). It is this fact which implies that leverage is so slow, since «the bulk of debt is accounted for by long-term mortgage loans», according to a study conducted by the Cajas de Ahorros Foundation. (FUNCAS).

The main reasons for this fall in household debt are the incipient economic recovery, and current low interest rates, allowing households to pay off mortgages and loans earlier than foreseen. The following regulatory instruments have been adopted to support families who have difficulties in meeting mortgage payments:

- Royal Decree-Law 6 / 2012, which created a code of good practices for banking activities, according to which banking entities have the option of restructuring the mortgage debt, as well as the possibility of cancelling part of the remaining capital amortisation.
- Law 1 / 2013 on measures to strengthen mortgage protection, restructuring of debt and social rent. This law provides for the immediate suspension for two years of evictions of the families at special risk of eviction. These «anti-forced eviction» measures

were extended until May 2017.

- Royal Decree-Law 1 / 2015, on the second chance mechanism, reductions in financial charges and other social measures. This provision releases the debtor from their outstanding debts after liquidating all their assets.
- To support these measures a Social Housing Fund has been created with the aim of offering cover to people who have been evicted from housing after not having paid the mortgage as a result of the current crisis.
- In addition to these measures at the national level, there are other support mechanisms especially at the local level such as counselling, mediation and social rental services to renegotiate debts and prevent foreclosures.

The measures described have enabled some socially vulnerable families to overcome debt linked to housing, but this does not solve the problems that thousands of Spanish households have in terms of a low savings capacity because of the lack of employment or precarious jobs, which reduces their ability to cope with their debts. As evidenced by data from the EPA for the first quarter of 2016, there are 1,610,900 families with all their active members in unemployment.

It is necessary to adopt measures to improve the savings capacity of households, and this fact is linked necessarily to an activation of the labour market and to efficient social protection policies for cases where it is not possible to return to work.

2. PROVISIONS FOR DECENT WORK IN YOUR COUNTRY TO GUARANTEE THAT PEOPLE CAN EARN A LIVING AND AVOID IN-WORK POVERTY

2.1 Minimum wage

Overview of the situation as seen by the European Commission:

Wage increases have occurred mainly in regions with higher economic growth and a stronger reduction in the unemployment rate. However, such evolutions could only be confirmed over a longer period and by

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continued monitoring of wage developments across regions and sectors, along with data on the evolution of productivity³⁵⁶.

Challenges identified by the European Commission:

In the case of Spain, wage rigidities arising from the high rate of structural unemployment are likely to be magnified by the high share of long-term unemployed, whose job search intensity is typically lower (and who thus exert lower downward pressure on wages), and by the emergence of skills mismatches³⁵⁷.

Labour market reforms undertaken in recent years have made employment more responsive to growth and job creation has resumed, supported by increased flexibility and continued wage moderation³⁵⁸.

Is there a minimum wage scheme in your country? If yes, is the level of minimum wage adequate in your opinion? Where do you see gaps and possibilities for improvement?

Currently the Spanish minimum wage is €655.20 gross in 14 instalments, or €756.70 in twelve instalments. According to the Council of Europe, to ensure a decent standard of living, the minimum wage should be set at 60% of the average wage. According to the latest survey on wage structure by the National Institute of Statistics INE (2014), the average monthly gross wage was €1,736.16 (1,946.46 for men and 1,507.96 for women), therefore the minimum wage should amount to €1,041.69 gross. We are far from that amount, therefore we can say that the existing minimum wage does not guarantee a decent life. This situation together with all features of the Spanish labour market characterised by temporary jobs, low-skill jobs, and involuntary part-time jobs etc. causes serious situations of in-work-poverty.

The factors that determine a high risk of in-work poverty due to low wages are mainly:

- Age: young people occupy above average temporary jobs, with a rate of 69.1% in 2014,

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- Educational level: non-skilled sectors such as catering,
- Nationality: migrant workers,
- Gender: Women receive a lower wage,
- Economic activity: catering, administrative activities and ancillary services have low wages,
- Type of contract: workers with a fixed-term contract had a 31.4% lower wage than workers with a permanent job,
- Part-time jobs: part-time workers wages fell by 2.6% to €9,794.79.

Labour reform has not favoured alternatives to these factors, but on the contrary it has encouraged short-term work contracts. This year a proposed increase in the minimum wage has been approved at the levels indicated in the European Social Charter in relation to the development of the economy and productivity. The Spanish political situation does not leave much room for optimism, however, that there will be a reduction in so called “garbage” contracts.

2.2 Reconciliation of work and private life

Overview of the situation as seen by the European Commission:

The lack of adequate child care provision affects children's opportunities and hampers female labour market participation. According to the Labour Force Survey, 30 % of mothers do not work or chose part-time work due to the inadequacy of childcare services³⁵⁹.

What are recent developments in provisions for maternity and paternity leave in your country (e.g. increase/decrease in coverage/level and duration of benefits, improvements for paternity leave arrangements)? Where do you see gaps in the system of maternity/paternity benefits? Do you see gaps that make the reconciliation of work and private life more difficult in your country? What are your recommendations to improve the situation?

Law 3/2007 for the effective equality of women and

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men established a set of measures to promote and encourage a better work life balance. Among different measures are: the father has the right to paternity leave if the mother has no access to the provision of maternity leave; social security contributions for women under 21 years are not required in order to receive maternity benefits; it sets a non-contributory maternity allowance when the necessary contribution that allows women to receive the benefit is not met; it establishes the suspension of the work contract due to paternity and the corresponding paternity benefits.

The main measures that are in force are:

- Maternity leave: 16 uninterrupted weeks, extendable in the event of birth, adoption or foster care of children with multiple disabilities or hospitalisation of the new-born.
- Paternity leave: thirteen days, extendable in the event of multiple childbirth, with two days more for each child.

Law 9/2009 has extended the duration of paternity leave in case of birth, adoption or foster care. This provision in principle entered in force on 1 January 2016, but has been postponed to 1 January 2017 due to the existing high level of social expenditure. The spirit of the law is to promote the mutual care and attention of children, contributing to equality in the family. This intention is diluted once more by the economic crisis and therefore changing political priorities.

- Leave of three years from the date of birth for childcare: care of children under three years, in the case of biological children, no specifications of age in the case of adoption or foster care.
- Leave for the care of a relative up to the second degree of consanguinity or affinity, who for reasons of age, accident, illness or disability is dependent and cannot carry out paid work (maximum duration of two years).
- Reduction of working hours for taking of care of children under 12 years, children with physical and mental disabilities, and relatives to the second degree of consanguinity or affinity who, due to age, accident or sickness, cannot look after themselves.

The reality is that in Spain the reconciliation of work and private life is complex, since it depends largely on the sensitivity and provision that the company provides in this matter. Some of the measures that exist are: flexible hours, telecommuting, allowing you to work from home or remotely, which can be fixed or allowed in special circumstances such as the illness of a family member; shorter working days in case of the illness of a child; intensive days, which allow the worker to group working hours in order to remain free as long as possible; possibility of extra unpaid vacation.

The problem is that these measures are not widespread in the labour market and depend mainly on the good will of companies. In Spain the understanding is still that more hours of work mean greater benefit. So to improve the possibilities of balancing work and family life, regulations are needed to allow for this, not mere recommendations, and options for the care of family members during working time must be developed.

3. NON-DISCRIMINATORY UNIVERSAL ACCESS TO QUALITY AND AFFORDABLE CARE, SOCIAL, HEALTH, EDUCATION AND LIFELONG LEARNING AND BASIC FINANCIAL SERVICES (I.E. ACCESS TO A BANK ACCOUNT)

Overview of the situation as seen by the European Commission:

The fragmented corporate structure of the Spanish economy exacerbated problems with access to bank financing during the crisis³⁶⁰.

Access to larger specialised hospitals is by specialist referral only. Planning for hospital services follows the structure and needs within a health area³⁶¹.

Given its universal and supportive nature, the Spanish National Healthcare System needs to ensure equal access to services for every citizen. Thus the provision is organised in two levels of care: primary health care and specialised health care. The first level of health services, Primary Health Care (PHC), is characterised

360 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_spain_en.pdf

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by major accessibility and adequate technical capacity to treat frequent health problems in an integral way. They deliver health promotion, clinical assistance, health education, sickness prevention and rehabilitation. The second level, Specialised Health Care (SHC), provided by specialised health centres and hospitals, is equipped with complex and costly diagnostic and/or treatment methods. Patients access SHC primarily by instruction from PHC doctors. A global overview of the patient's medical health and treatment between both levels of care is guaranteed by the patient's medical records. Access for all Spanish citizens and registered residents is guaranteed, free of charge³⁶².

What are recent developments in the access to services in your country? Where do you see gaps (e.g. groups of people excluded from access to services, certain services not available in some regions etc.)? What are your recommendations to improve the situation?

In 2012 the right to access the health system and medical care was changed. It was limited to people in a regular administrative situation - and limited to emergencies – thereby excluding third country nationals in an illegal situation.

362 « Quality in and equality of access to healthcare services », Country Report for Spain 2008; European Commission.

Although the right to access is still limited to those people, in August 2015 instructions were given at regional level to facilitate access to health services - not pharmaceutical – for migrants in an irregular situation. This change is welcome, but the full restoration of rights is still incomplete and urgently needed.

Currently the situation is complicated regarding third country nationals' who are dependents of EU citizens: the law (Royal Decree 240 / 2007 on free circulation and residence in Spain for citizens of the Union European and Schengen) provides for the need for relatives of EU citizens to have medical health cover similar to the social security system. The 2012 reform of the health care system excluded among those beneficiaries the third country nationals' dependents of (insured) EU citizens. To meet the requirement of health cover the relatives must go to the private system. However people older than 65 years face severe limitations in accessing private health insurance, which leaves this group of third country nationals in a legal limbo. They have the right to live with an EU citizen, but they are not entitled to legal residence based on this reason.

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UNITED KINGDOM

INTEGRATION OF THIRD-COUNTRY NATIONALS

1. TOOLS/PROGRAMMES IMPLEMENTED FOR THE INTEGRATION OF THIRD COUNTRY NATIONALS

Overview of the situation as seen by the European Commission:

The government's February 2012 integration strategy assigns greater responsibility for integration to society and local authorities. The national policies and funding to support this process focus on five key factors: common values, mutual commitments and obligations, social mobility, local civic participation and tackling intolerance and extremism. While local and regional authorities are taking a lead in certain issues and parts of the UK (e.g. London, Scotland, Northern Ireland), they may not have the data (apart from the census), guidance, resources, migrant forums or willingness to respond effectively to newcomers and reverse inequalities for long-settled communities³⁶³.

Challenges identified by the European Commission:

From 2011 to 2014, regular changes to the rules significantly restricted the opportunities for families to reunite and the path to settlement and UK citizenship. The UK's integration policies dropped 6 points, the 2nd largest restrictions in recent years³⁶⁴.

1.1 Are there specific integration policies implemented in your countries by the national, regional and local level? Which categories of third country nationals are they addressing (e.g. refugees, beneficiaries of family reunification, economic migrants, unaccompanied migrant minors)?

In 2012, the government announced significant changes to the family migration rules in the UK. The key changes, which largely came into force on 9 July 2012, include among other things, an income requirement of £18,600 for people wishing to sponsor a

partner to come to the UK (rising to £22,400 for one child, and an additional £2,400 for each further child), an extended period (from two to five years) before spouses and partners can apply for settlement in the UK and substantial restrictions on sponsoring an elderly dependant relative.

A briefing paper of the Migrants Rights Network³⁶⁵ reports that evidence accumulated over the last years shows that the new rules are preventing many thousands of people from exercising their right to a family life in the UK. The Government estimated that up to 17,800 families will be affected each year by the income requirement.

The Migrant Integration Policy Index (MIPEX) has ranked the UK as the lowest out of the 38 surveyed countries for family friendly immigration. This is the result of the changes in the country's immigration policy making it more rigid and restrictive introduced by the Conservative government.

The opportunities for families to reunite, the path to settlement and UK citizenship are significantly restricted. This means the longest delays and highest income, language and fee requirements, one of the few countries with language test abroad and restricted access to benefits. As a result, now non-EU residents in the UK who want to invest in their integration will face greater hardship and costs to reunite with their spouses and children, settle permanently or become citizens.

In April (2016) the Home Office has introduced a pay threshold for people to remain, after already working here for 5 years. This only affects non-EU citizens that earn under £35,000 a year, which unfairly discriminates against charity workers, nurses, students and others.

The asylum claim process was changed in 2007 with the introduction of the New Asylum Model (NAM).

³⁶⁵ https://socialwelfare.bl.uk/subject-areas/services-client-groups/minoritygroups/migrantsrightsnetwork/176132MRN_Family_Migration_briefing-update-June-2015.pdf

³⁶³ <http://www.mipex.eu/united-kingdom>

³⁶⁴ <http://www.mipex.eu/united-kingdom>



Each asylum application is assigned to a specific member of UK Border Agency staff (known as a 'case owner') who will be responsible for the case, and for all decisions taken on it, from the time the application is made until the person is granted permission to stay or is removed from the UK. Decision-making is much faster than it has been in the past (usually within a few weeks). There will be an initial 'screening interview' in which the UK Border Agency takes the personal details of the applicant and their journey to the UK, checks if they have claimed asylum in the UK or Europe before, and gives them a reference number for their application. A few days later the applicant will be asked to attend a 'first reporting event' where they will meet the case owner who will deal with their case.

The 'substantive interview', or 'asylum interview', is held within the next couple of weeks. This is when the applicant gets an opportunity to describe to the case owner what has happened to them and what it is they fear in their own country.

Asylum seekers may be asked to attend regular reporting meetings with local UK Border Agency staff at all stages of the asylum process. The UK Border Agency also uses telephone reporting systems and electronic tagging of asylum seekers.

After the screening interview, some applicants are taken to Harmondsworth Immigration Removal Centre or Yarl's Wood Immigration Removal Centre, where their application is 'fast-tracked'. They are held in detention while a decision is made on their application within seven days. In these cases the entire decision-making and appeals process can be completed within nine days. Asylum seekers are not allowed to work unless they have been waiting for a decision on their case for more than a year through no fault of their own, in which case they can apply to the UK Border Agency for permission to work.

Asylum seekers who need financial support and/or accommodation while they are waiting for a decision

on their claim can apply to the UK Border Agency to provide this. Accommodation is provided on a no-choice basis outside of London and the South-East. Once a person is granted protection in the UK, they have the right to work, claim benefits and be re-united with their spouse and children (under 18). However, a child under the age of 18 who is recognised as a refugee does not have the same right to be joined by their parents or brothers/sisters.

If the claim is refused if a person does not leave the UK, the UK Border Agency may arrange an enforced return. Asylum seekers do not continue to receive this support after their application has been refused and their appeal rights exhausted. Asylum seekers whose applications have been refused are able to apply for a basic support package known as "hard case" or "Section 4" support if their circumstances meet the narrow eligibility criteria. The support consists of accommodation and board in the form of an 'Azure card' which can only be used in specific supermarkets. In order to receive this support the applicant must agree to return to their country of origin.

1.2 How are EU funds for asylum, migration and integration (AMIF) allocated in your countries? Which categories of third country nationals are they addressing (e.g. refugees, beneficiaries of family reunification, economic migrants, unaccompanied migrant minors)?

The UK opted into AMIF, and was allocated €370m for use on UK priorities in the field of migration and integration³⁶⁶. The Home Office is the national agency running this fund in the UK.

The allocated fund for the UK has been divided into several programmes within the following commitments: Return measures; Legal Migration / NO2, Integration: Asylum / NO1 - Reception/asylum; Asylum / NO2 – Evaluation; Family Returns Unit (FRU) ²³⁶⁷.

³⁶⁶ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/542335/AMIF_Project_List_July_2016.pdf

³⁶⁷ More details on the different commitments to be found in the annex.



1.3 Are NGO's involved by national and local authorities in the development and implementation of integration programmes? In particular, are NGOs consulted on the allocation of EU Funds for integration programmes (e.g. AMIF)?

The UK National Strategy group composed by practitioners working in the UK voluntary sectors, such as the British Red Cross and Cafod, have reported that NGOs are generally not involved directly in the development and implementation of integration programmes. In the past for funds like ESIF the Government has launched informal consultations conducted holding a series of stakeholder consultation meetings across the country³⁶⁸.

2. DISCRIMINATION AND INTERCULTURAL COEXISTENCE

Overview of the situation as seen by the European Commission:

Cuts to funding and monitoring are undermining the UK's traditional international strengths on anti-discrimination equality. Residents still enjoy some of the strongest and most comprehensive protections against discrimination in Europe, with the UK ranked 5th overall due to the 2010 Equality Act and equality duties. The 2010 Equality Act makes the law more coherent and easy to use, with the aim to 'rationalise, simplify and harmonise existing equality law into a consistent, coherent and easy to understand manner.' 2012 saw cuts made to mandatory equality impact assessments and to 50% of the equality body's budget. These cuts reduce the capacity of equality actors and public sector to promote access to justice and equal treatment in practice³⁶⁹.

Challenges identified by the European Commission:

According to the latest European-wide data (2012), 6.7% of people in the UK felt that in the previous year they had been discriminated against or harassed based on their ethnic origin (4.6%) and/or religion/beliefs (2.8%), which are relatively high rates for Europe³⁷⁰.

368 <https://www.gov.uk/government/consultations/european-structural-and-cohesion-funds-consultation-on-proposed-changes-to-managing-the-funds>

369 <http://www.mipex.eu/united-kingdom>

370 <http://www.mipex.eu/united-kingdom>

2.1 Are there movements/campaigns/initiatives in your country in favour or against the integration of third country nationals? What is your evaluation of them?

In the UK there are campaigns/movements and initiatives both in favour and against the integration of third country nationals. The UK national strategic group has highlighted the importance of the devising campaign leading to the referendum for the UK membership to the EU for legitimising public expression of hatred and hate speech toward third country nationals and migrants. The debate was mainly focused on migration generally with the confusion of which group of population would have been affected by the exit of the UK from the EU. The campaign has frequently demonised immigrants, in particular third country nationals, by spreading fictitious scare stories, all the while pandering to the lowest common denominator. For example the Conservative leave camp led by Boris Johnson and Michel Gove focused the campaign message on immigration, creating unrealistic expectations of what migration figures could be, also claiming that Turkey was about to join the EU³⁷¹ and that Turks were a threat to our national security, highlighting its proximity to Iraq and Syria on a poster. The UKIP campaign used images and languages filled with hatred towards EU nationals living in the EU but also third country nationals, asylum seekers and refugees for example in the anti-migrant "breaking point" poster, which was even reported to the police for allegedly inciting racial hatred³⁷². This is demonstrated also by the incidents of xenophobia and racism that have followed the EU referendum³⁷³.

The result of the referendum has also brought to the attention of the general public the danger of the spreading of unwelcoming feeling towards migrants/refugees and asylum seekers and has ignited pro mi-

371 <https://www.theguardian.com/politics/2016/may/21/vote-leave-prejudice-turkey-eu-security-threat>

372 <https://www.theguardian.com/politics/2016/jun/16/nigel-farage-defends-ukip-breaking-point-poster-queue-of-migrants>

373 <http://www.vox.com/2016/6/25/12029786/brexit-uk-eu-immigration-xenophobia>



gration and pro Europe demonstrations³⁷⁴ such as the Rallies for Europe and previously the Refugees Welcome march in September 2015 and September 2016³⁷⁵.

Another important campaign to remember is the movement Refugees Welcome. People from across the country have organised forming over 90 Refugees Welcome campaign groups around the UK also offering hospitality in their houses.

The UK national strategic group has also reported that several charities are involved in supporting the development of integration of third country nationals. They have however lamented the increasing cutting in funding going towards charities developing projects contributing to the creation of a more inclusive society and promoting intercultural coexistence.

2.2 What are your recommendations to fight discrimination and to promote intercultural coexistence in your country?

The groups would welcome increasing of findings not only for projects but also as core findings to support their work in promoting a multicultural society. Moreover, the UK group has identified the danger of considering civil society work as replacing the statutory obligations of local authorities and the Government. Another recommendation is to create funding for promoting intercultural dialogue in schools and teaching since the early days to fight discrimination promoting intercultural coexistence.

DEVELOPMENTS IN SOCIAL PROTECTION SYSTEMS

1. ADEQUATE INCOME SUPPORT IN YOUR COUNTRY AS A BASIS FOR SOCIAL PROTECTION OVER THE LIFESPAN OF A PERSON TO FIGHT POVERTY AND ENSURE ACTIVE INCLUSION

³⁷⁴ <http://www.bbc.co.uk/news/uk-politics-uk-leaves-the-eu-37265840>

1.1 Minimum income

Overview of the situation as seen by the European Commission:

The UK Minimum income scheme is part of the general schemes of last resort with additional categorical benefits which cover most people in need of support but it falls somewhat short of adequate level of support. Restrictive eligibility means that coverage is partial. Since 2009, coverage has declined. The impact on poverty-reduction is strong but declining. To a very strict extent the receipt of benefits is dependent on strict conditions in relation to job search and participation in activation measures³⁷⁶.

Is there a minimum income scheme in your country? If yes, is the level of minimum income adequate in your opinion? Where do you see gaps and possibilities for improvement?

In the UK there is no universal minimum income but support is available for people with low income.

Since 2013 the Government has introduced the Universal Credit to streamline the benefit system and that will replace gradually the following:

- income-based Jobseeker's Allowance
- Housing Benefit
- Working Tax Credit
- Child Tax Credit
- income-related Employment and Support Allowance
- Income Support

If a person lives with a partner that claims the Universal Credit, the claim must be submitted jointly, as the calculation will be made in the household, the Universal Credit takes into consideration also children and dependents. To be eligible to claim the Universal Credit a person has to be either:

- a single person anywhere in England, Wales and Scotland
- a couple or family living in certain areas³⁷⁷

³⁷⁶ <http://ec.europa.eu/social/BlobServlet?docId=15304&langId=en>

³⁷⁷ <https://www.gov.uk/guidance/jobcentres-where-you-can-claim-universal-credit>



To get Universal Credit in the UK a person must:

- be 18 or over
- be under State Pension age³⁷⁸
- not be in full time education or training
- not have savings over £16,000

The Universal Credit is reduced if a person has savings over £6,000 or earns enough money to cover the basic living costs.

The amount received is reduced gradually as the person earns more. If received when working the Universal credit is called work allowance.

There is a limit on the total amount of benefit that most people aged 16 to 64 can get. This is called the benefit cap.

The current cap is:

- £500 per week (£26,000 per year) if in a couple, whether living with children or not
- £500 per week (£26,000 per year) if single living with the children
- £350 per week (£18,200 per year) if single and does not have children, or is not living with the children

Apart from the social security system delivered through the UC, depending on testing and sanctions, in the UK there is not a universal minimum income scheme that provides citizens with an adequate income floor.

Several studies, for example by the think-tank Compass³⁷⁹, the innovation charity Nesta³⁸⁰ and the Royal Society of Arts³⁸¹ among many others, have identified that the UK to counter the growing crisis of low pay, in work poverty and precarity in a labour market increasingly characterised by casualised forms of employ-

378 <https://www.gov.uk/state-pension-age>

379 <http://www.compassonline.org.uk/publications/universal-basic-income-an-idea-whose-time-has-come/>

380 <http://www.nesta.org.uk/2016-predictions/universal-basic-income>

381 <https://www.thersa.org/action-and-research/rsa-projects/economy-enterprise-manufacturing-folder/basic-income>

ment that offer low pay, zero hours contracts and no long-term security should introduce an universal Basic Income.

Disability Living Allowance (DLA) changes: Claims for Disability Living Allowance can still be made by people aged 16-64 in Northern Ireland, however, from 20 June 2016 all new claims will be for Personal Independence Payment rather than DLA. Existing claimants of DLA reporting a change of circumstance will also be assessed for personal independent payment (PIP) rather than DLA. From December 2016 DLA claimants in Northern Ireland with an indefinite award will start to be assessed for PIP.

1.2 Unemployment benefit schemes

Overview of the situation as seen by the European Commission:

Universal Credit continues to be rolled out gradually with some continuing concern about the pace of progress. The Universal Credit brings together six means-tested benefits and tax credits and extends conditionality to many more people in and out of work, including partners with children. It is designed to simplify the (means tested) benefits system and incentivise claimants to take up work. A recent House of Commons Committee of Public Accounts report notes continuing concern on progress, with the system not expected to be fully operational until at least 2021.

Regarding the long-term unemployed within the Work Programme, evaluations suggest that available support services may be uneven or concentrated on those people closer to finding work partly due to the large degree of discretion given to the providers³⁸².

What are the recent developments in your unemployment benefit schemes (e.g. decrease/increase in coverage, limitation/extension of the duration of unemployment benefits)? Where do you see gaps in the system?

From April 2016 the Government has introduced in the budget a series of cuts in the benefits system.

For example it has reduced the work allowance in

382 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_uk_en.pdf



Universal Credit	
<u>Circumstances</u>	<u>Monthly standard allowance</u>
Single and under 25	£251.77
Single and 25 or over	£317.82
In a couple and both under 25	£395.20
In a couple and either are 25 or over	£498.89

Extra amounts <i>If eligible an amount can be added to the standard allowance</i>	
<u>Eligibility</u>	<u>Extra monthly amount</u>
For first child	£277.08
For second and other children	£231.67 per child
If in need help with childcare costs	85% of costs (up to £646.35 for one child and £1,108.04 for 2 or more children)
If has a disabled or severely disabled child	£357.78 to £645
If the person is disabled or has a health condition	£126.11 to £315.60
If the person cares for a disabled person	£150.39

Universal Credit, the amount you can earn without your benefit being affected. For disabled people and people with children it has been reduced to £192 per month if they have housing costs and £397 per month if they don't have housing costs. While the work allowance has been abolished altogether for non-disabled, childless claimants meaning that the benefit is reduced as soon as they start earning.

Also the main rates of working age benefits and tax credits have been frozen in cash terms for 4 years from April 2016.

Disability benefits, the disability-related elements of

tax credits and statutory payments including Personal Independence Payment, Attendance Allowance, Disability Living Allowance, Employment and Support Allowance (Support Group only), Maternity Allowance, Statutory Maternity/Paternity Pay and Statutory Sick Pay, have been uprated in line with the Consumer Prices Index (CPI). The CPI was announced to have fallen in the year to September 2015 so this means that the benefits mentioned above have not been increased from April 2016.

The reduction introduced by the Chancellor of the Exchequer has meant that with the reduction of work



allowances in the Universal Credit, families have lost up to £200 a month³⁸³. The reduction of the work allowances have hit hardest lone parents, disabled people and couples with children who rent their home rather than have a mortgage.

An analysis by the Child Poverty Action Group (CPAG) estimates that families with a sole earner working full-time on the “national living wage” of £7.20 an hour would have to work a 13-month year to compensate for the cuts, and a full-time single parent would have to work a 14-month year.

Also the think-tank Resolution has warned that in-work conditionality, whereby low-paid working UC claimants would be expected to prove to DWP officials they were seeking to earn more by working longer hours or taking a second job, as a condition of receiving the benefit, are controversial.

As a consequence of the April 2016 reform to the personal independence payment (PIP) – set to raise £1.2bn for the Treasury – 200,000 people have been taken out of the system altogether. While a further 400,000 have seen their weekly payment fall from the enhanced £82 to the standard £55 – costing them over £1,400 a year.

An analysis of the Labour Party has estimated that two hundred thousand disabled people will each lose almost £3,000 a year as a result of sweeping cuts to disability benefits.

Disability charities have described this reform as “devastating” – arguing that vulnerable individuals will no longer have access to simple aids and appliances that allow them to live independently.

The UK strategic group has also highlighted that the possibility for people with disabilities to work is reducing every year with the prospect of becoming even worse with the reduction in 2017 of the Employment

383 <https://www.theguardian.com/society/2016/apr/10/universal-credit-cuts-to-lose-low-income-families-up-to-200-a-month>

and Support Allowance (ESA) which would make it more difficult for disabled people to find work and that many struggled to afford food on the benefit at its current level.

1.3 Pensions

Overview of the situation as seen by the European Commission:

The introduction of a more robust universal pension from 2016 will benefit women and contribute to a reduction of the high gender pension gap. Regarding other pension reforms, from April 2015 the Taxation of Pensions Act 2014 allows people aged 55 and over to access their defined-contribution pension savings when and how they choose, subject to their marginal rate of income tax. The adequacy of overall pension income depends to a large extent on private pension savings. Thus, the abolition of the obligation to convert defined contribution pension savings into an annuity may result in retirees' unable to sustain household income during retirement with negative implications for state expenditure³⁸⁴.

What are the recent developments in your pension system (e.g. increase/decrease of the retirement age, increase/decrease in coverage/level of pensions)?
Where do you see gaps in the system?

On the 6th of April 2016 the government has introduced a change in the State Pension. This has impacted men born after 6 April 1951 and women born after 6 April 1953, reflecting the respective state pension ages of men (65) and women (63) at that date.

The new State Pension is a single-tier benefit which will replace both the Basic State Pension and the State Second Pension, and its predecessor schemes. However, transitional provisions mean that the entitlements to these benefits of the current workforce are still taken into account.

- a single weekly amount of £155.65 (Pension Credit) for people who reach state pension age from 6 April 2016.
- to receive the State Pension at least 35 years

384 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_uk_en.pdf



National Insurance (NI) contributions or credits are needed to get the full amount

- at least 10 years of contributions are needed to qualify for the new State Pension
- those who have between 10 and 34 years of contributions will receive a proportion of the pension
- it focuses on individual entitlements, so in general there will be no special rules for people who are married or in civil partnerships, bereaved or divorced.

There are two schemes available to top up the State Pension. Which one to use depends on whether or not the person has reached State Pension Age.

If the person has not yet reached State Pension Age but is worried that the amount received will not be enough money or years of payment a Class 3 National Insurance contributions can be used. These contributions are voluntary and allow people to fill gaps in their record to improve their basic State Pension entitlement.

If a person has already reached State Pension Age the State Pension can be increased and get a guaranteed extra income for life with the State Pension top up scheme.

The scheme can be accessed with making a lump sum contribution between before 5 April 2017.

A new bill to change the State Pension Age was introduced in April 2016.

The plan to bring women's pension age in line with men's will be sped up from April 2016 so that women's pension age reaches 65 in November 2018. The proposed rise in the state pension age to 66 by 2020 is to be delayed by six months, from April 2020 to October 2020 capping the increase at a maximum of 18 months. The Government has also proposed raising the State Pension age from 66 to 67 gradually between 2026 and 2028.

Moreover from April 6, 2017, the Government has

removed the tax restrictions for people looking to sell their annuity, giving pensioners with an existing annuity - and anyone who purchases an annuity in the future - the ability to sell it on for cash.

Currently someone wanting to sell an annuity to a willing buyer would face a tax charge of up to 70pc. The government has scrapped this, so people are taxed only at their marginal rate.

Several reports have identified that the move will be beneficial only for those who can swap small or negligible annuity payments for a single, lump sum. But critics have pointed out numerous risks, and warn that giving up the right to a guaranteed income could be a dangerous step.

The Fawcett society has identified in the report *Closing the Pension Gap: Understanding Women's Attitudes to Pension Saving*³⁸⁵ that with the current Pension Scheme women save around 40% less into their pensions pots than men. This gap represents the culmination of a lifelong gender pay gap³⁸⁶ that most women experience. Because of their smaller pension pots, women are more reliant on the state pension than men, and the changes in state pension may leave some women worse off³⁸⁷. The changes in the National State Pension will leave the British residences more dependent on the private pension provision, which is why women's tendency to save less into private pensions becomes a key issue.

Unite the Union, one of the Leading UK Trade Unions, has reacted to the changes in the State Pension scheme affirming that they do not increase the total payout of state pensions and so as the results the majority of people will lose from them. This reform does not make any change for pre-2016 pensioners. The biggest losers are those people who have full NI contribution records and who have been contracted-in for long

385 <http://www.fawcettsociety.org.uk/policy-research/the-pensions-gap/>

386 <http://www.fawcettsociety.org.uk/wp-content/uploads/2015/11/Equal-Pay-Day-Briefing-2015.pdf>

387 <http://www.fawcettsociety.org.uk/wp-content/uploads/2015/11/Women-and-the-State-Pension-Age-Debate-Briefing-7-Jan-2016.pdf>



periods. They would, in many cases, have got a much higher benefit than the new State Pension will deliver.

State Pensions are a defined benefit and the maximum scope of that benefit is being substantially reduced by this change, making employees ever more dependent on uncertain defined contribution pension schemes.

The largest gainers will tend to be those groups who would not have acquired any or much State Second Pension. These would include the self-employed and those with low earnings/broken careers (many of whom are women now approaching retirement).

1.4 Indebtedness of households

Overview of the situation as seen by the European Commission:

Household indebtedness remains relatively high, but has fallen from its peak in 2009. At the same time, household balance sheets are relatively strong. Levels of household assets exceed financial liabilities and the net household position is among the strongest in the EU³⁸⁸.

Challenges identified by the European Commission:

Modest growth in the credit stock has been outweighed by growth in nominal GDP. As a result, relative household indebtedness continues to fall. The UK's experience of deleveraging compares positively with that of a number of other Member States as it has occurred with less adverse impact on the economy. More formally, since 2009, the UK has experienced 'passive deleveraging' while many other Member States have experienced 'active deleveraging'³⁸⁹.

What are recent developments in the level of household indebtedness? Do you know about reasons for these developments? Are there policies in your country to target this problem? What are your recommendations to improve the situation?

The latest Bank of England's Credit condition survey³⁹⁰

388 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_uk_en.pdf

389 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_uk_en.pdf

390 <http://www.bankofengland.co.uk/publications/Documents/creditconditionsreview/2016/ccrq216.pdf>

revealed that British households have started taking on new debts going back to the level of before the crisis.

The Survey shows that the annual growth rate of consumer credit hit 9.3 per cent in February, the highest pace since December 2005. The charity Step Change has identified that for several families a way to smooth out consumption and rising cost of living³⁹¹ is spreading the cost of larger purchases with manageable repayments, but this means that many fall into problem debt. Over 7 million people in Britain turn to credit to pay for their everyday essentials at least occasionally and over 13 million need to borrow money to cover emergency costs. In total, Step Change estimates that over 4 million people in Britain are likely to be using credit as a safety net as they struggle to meet both everyday living costs and emergency costs without turning to credit. This group is largely made up of working families on low to middle incomes, although some are households on the lowest incomes and in more insecure, 'casual' employment.

The rising of debts is due to using credit to plug gaps in household finances. There are features of the most commonly used credit products including credit cards, overdrafts and payday loans that can lead to problem debt where they are regularly used to plug the gaps in household finances. These problematic features and behaviours include irresponsible lending, costly and complex default fees and charges, the fact that individuals often have multiple products, and the structure of minimum payments.

Secondly, the study found that some of those using credit as a safety net are not able to access mainstream credit and are having to pay more when turning to high cost credit. So there is a need to provide affordable credit alternatives to the high cost sector is key debate in the country. The community lending sector including credit unions and community development finance institutions (CDFIs) is providing a growing **source of affordable** credit but still has limited reach.

391 <https://www.unison.org.uk/content/uploads/2016/05/Cost-of-living-outline.docx>



There is a need to further expand the supply of accessible, suitable and sustainable credit for those who struggle with access.

As the report highlights, a broad strategy, numerous solutions and a multi-faceted approach are needed to address the unsustainable use of credit and the resulting financial difficulties in Britain today. This includes the need to reduce the 'debt risk' in current products for those using them as a safety net and to provide an alternative supply of affordable credit for those that struggle to access commercial credit. There are also broader strategies needed to tackle the demand for credit and improve the safety nets for those who fall into difficulties.

The Government has proposed new policies and schemes to support families in debt, for example the Help to Save (HTS) scheme that will arrive in 2018. However, the charity Step Change has pointed out that the scheme is not enough to solve the problem, and that in the long term more innovative approaches to saving must be looked at by government and commercial financial services providers.

Housing Benefit changes:

From 1 May 2016 the family premium in Housing Benefit has been reduced to (£17.45 when a claimant has one or more dependant children), while the Housing Benefit backdating has been reduced for a maximum of one month. Before, if you were working age, your Housing Benefit claim could be backdated for up to six months if you could show good cause for making a late claim and you would have qualified for the benefit sooner.

Before April 2016 if a household income increased by up to £5,000 during the tax year this increase was ignored when calculating the entitlement for that year. From April 2016 this has been reduced so that any increase in income of more than £2,500 will be taken into account. According to the Treasury, it is estimated that 800,000 people will see their entitlement to tax credits reduced by an average of £200-£300 per year due to this cut which brings the 'income rise disregard'

back to the same level it was when tax credits were first introduced.

There is currently a benefit cap in place in England, Scotland and Wales restricting the amount in certain benefits that a working age household can receive. Any household receiving more than the cap has their Housing Benefit reduced to bring them back within the limit. This benefit cap has been introduced in Northern Ireland from 31 May but has exempt those in receipt of Carer's Allowance - which isn't yet the case in Great Britain.

From 7th November 2016 the cap which is currently up to £26,000 per year is to be reduced to £23,000 for households living in London and to £20,000 for those outside London.

Personal tax allowance increased

The Personal Tax Allowance, the amount you can earn before paying income tax, will be increased from £10,600 to £11,000 from April 2016. It will be further increased to £12,500 by 2020 and thereafter it will automatically be set at the same level as 30 times the National Living Wage (National Minimum Wage).

2. PROVISIONS FOR DECENT WORK IN YOUR COUNTRY TO GUARANTEE THAT PEOPLE CAN EARN A LIVING AND AVOID IN-WORK POVERTY

2.1 Minimum wage

Overview of the situation as seen by the European Commission:

The government announced an increase in the national minimum wage in the July 2015 budget (the 'National Living Wage') for those over 25. The minimum wage in excess of GBP 9 per hour expected to be reached by 2020, will benefit currently low paid employees over the age of 25³⁹².

Challenges identified by the European Commission:

Compensatory measures are provided for via the increase in the National Living Wage (a higher minimum

392 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_uk_en.pdf



wage for those over 25), although this will not provide commensurate substitution for certain working households³⁹³.

Is there a minimum wage scheme in your country? If yes, is the level of minimum wage adequate in your opinion? Where do you see gaps and possibilities for improvement?

For people in work the Chancellor of the Exchequer of the Conservative Government since the 1st April 2016 has replaced the National Minimum wage with the National Living Wage for all working people aged 25 and over, set at £7.20 per hour. It will reach £9.00 per hour by 2020.

For people under 25 still applies the current National Minimum Wage of

- £6.95 per hour - 21-24 yrs old
- £5.55 per hour 18 - 20 yrs old
- £4 per hour - 16-17 yrs old
- £3.40 for apprentices under 19 or 19 or over who are in the first year of apprenticeship.

The rate will then change every April starting April 2017.

The Government National Living Wage does not consider the differences of prices across the nation, for example compared to the previous minimum wage there is no difference between the National Wage and the London Wage, more over its age limit leaves people under 25 exposed to the risk of in work poverty.

The Joseph Rowntree Foundation's report Minimum Income Standard³⁹⁴ highlights that in 2016 a person to achieve the MIS need to earn at least £17,100 a year before tax, and couples with two children at least £18,900 each, a sum higher than the Government Living Wage.

393 http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_uk_en.pdf

394 https://www.jrf.org.uk/report/minimum-income-standard-uk-2016?gclid=Cj0KEQjwsai_BRC30KH347fjk-soBEiQAoiaqsc7Up75sHECSOTAmuTvHmCzGND0f-sEy03XOijZG4xekaAj958P8HAQ

The study has identified also that the incomes of working-age households receiving out-of-work benefits were far below MIS. Single people could afford 39 per cent of the budget and couples with two children 61 per cent. Lone parents have seen the sharpest fall: from 65 per cent of MIS in 2010 to 56 per cent today. Pensioners have safety-net income around the MIS level.

The National Living Wage (NLW) plus help with child-care costs through Universal Credit (UC) has improved income relative to MIS for some low-wage families. However, cuts to in-work support for people receiving UC have offset this, particularly for lone parents. Full-time working lone parents on NLW and UC were 18 per cent below MIS, compared with 4 per cent for full-time working couples.

The union Unite and Unison has said repeatedly that the Government's inflation measure is hiding the scale of the cost of living crisis³⁹⁵.

The most recent data from the Annual Survey of Hours and Earnings suggests that the real value of average UK pay packets has fallen by 12% since 2010, with employees losing over £2,000 a year from the value of their pay packet since the government came into office. The average worker would have accumulated more than £13,000 more had their wage kept in pace with inflation.

The drop in the inflation rate has been driven by declines in electricity and gas prices after years of strong growth, along with falls in food prices. However, the biggest cause has been the major fall in oil prices. Nonetheless, some costs rose significantly, with a 6.7% acceleration in prices for clothing and footwear, along with a 3.7% rise in travel fares.

The price of housing also remains one of the biggest issues facing employees and their families. Across the UK, house prices rose by 5.7% in the year to May

395 <https://www.unison.org.uk/content/uploads/2016/05/Cost-of-living-outline.docx>



2015, taking the average house price to £274,000³⁹⁶. However, the picture varied across the nations of the UK, with Northern Ireland experiencing the biggest increase at 10.5%, followed by England at 5.8%, Scotland at 2.9% and Wales at 2.5%.

2.2 Reconciliation of work and private life

Overview of the situation as seen by the European Commission:

According to the 2015 Childcare Costs Survey, only 43% of councils in England, 15 % of councils in Scotland, and 18 % of councils in Wales reported having sufficient childcare provision for parents who work full-time. The new government has outlined its proposals to double the free childcare available to working parents of three and four year olds from 15 to 30 hours per week over 38 weeks of the year from 2017 in England. Funding and supply-side provision for this commitment remains however a challenge.

In addition to childcare, the UK has recently reformed its maternity leave system, to allow for a better balance between work and family life. This measure allows fathers to share the remainder of the maternity leave not taken by the mother. Though it is too early to assess the impact of this measure, this initiative would be expected to have a positive effect on female employment by allowing fathers to take up a greater share of caring responsibilities and by facilitating mothers' more rapid return to the labour market³⁹⁷.

What are recent developments in provisions for maternity and paternity leave in your country (e.g. increase/decrease in coverage/level and duration of benefits, improvements for paternity leave arrangements)?
Where do you see gaps in the system of maternity/paternity benefits? Do you see gaps that make the reconciliation of work and private life more difficult in your country? What are your recommendations to improve the situation?

In the UK eligible employees can take up to 52 weeks' Statutory Maternity Leave. The first 26 weeks is known as 'Ordinary Maternity Leave', the last 26 weeks as 'Additional Maternity Leave'. The earliest that leave can be taken is 11 weeks before the expected week

³⁹⁶ Office for National Statistics, House Price Index, July 2015

³⁹⁷ http://ec.europa.eu/europe2020/pdf/csr2016/cr2016_uk_en.pdf

of childbirth, unless the baby is born early. Employees must take at least 2 weeks after the birth (or 4 weeks if they're a factory worker).

The Statutory Maternity Pay (SMP) for eligible employees can be paid for up to 39 weeks, usually as follows:

- the first 6 weeks: 90% of their average weekly earnings (AWE) before tax
- the remaining 33 weeks: £139.58 or 90% of their AWE (whichever is lower)

Tax and National Insurance need to be deducted. An employer can offer more than the statutory amounts in their company maternity scheme.

In the UK employees may be entitled to Paternity Leave and Pay if their partner is having a baby, adopting a child or having a baby through a surrogacy arrangement.

- The paternity leave is available to employees who:
- have or expect to have responsibility for the child's upbringing
- are the biological father of the child or the mother's husband or partner (including same sex relationships)
- have worked continuously for their employer for 26 weeks ending with the 15th week before the baby is due, or the end of the week in which the child's adopter is notified of being matched with the child (UK adoption), or the date the child enters the UK (overseas adoptions).

Those who are eligible can choose to take either one week or two consecutive weeks' paid paternity leave (not odd days).

Employees will need to take their paternity leave within 56 days of the actual date of birth of the child. Paternity leave can't start until the birth of the baby; employees may be able to take some annual leave before.



A period of Paternity leave when adopting a child can start:

- On the date of placement.
- An agreed number of days after the date of placement.
- On the date the child arrives in the UK or an agreed number of days after (for overseas adoption).
- The day the child is born or the day after for surrogate parents.

The Statutory Paternity Pay (from April 2015 the rate is £139.58 per week or 90 per cent of the average weekly earnings, if that is less). Employers may, however, give more and this may form part of the terms and conditions of employment. The standard rate has been frozen and has not increased in April 2016.

Employees in the UK have also access to shared Parental Leave that provides parents with the opportunity to consider the best arrangements to care for their child during the child's first year. It enables eligible parents to share the caring evenly or have one parent taking the main caring role.

Fathers, partners and civil partners of a pregnant woman are entitled to unpaid time off during working hours to accompany her to 2 antenatal appointments. This includes the intended parents if they're having a baby through a surrogacy arrangement.

There is no legal right to paid time off for antenatal appointments. However, employers may allow this time off with pay under the terms and conditions of employment, or allow employees to take annual leave, swap shifts or make up time.

One of the gaps identified is that shared leave is not compulsory and still a larger number of women take time off work instead of their partners, contributing to the rise of gender pay gap affecting also the level of pensions. The UK Strategic Group suggested that one solution should be making a bigger part of the pater-

nity leave compulsory like in Sweden with the provision of 90 days' leave allocated solely to the father/partner on a use-it-or-lose-it basis.

Moreover, another gaps identified is the lack of real work flexibility. The UK group has identified that the UK would need bigger investment in digitalising work permitting at parents to work more frequently from home or work with a flexible time to allow a better organisation between their work and their life and caring responsibilities.

3. NON-DISCRIMINATORY UNIVERSAL ACCESS TO QUALITY AND AFFORDABLE CARE, SOCIAL, HEALTH, EDUCATION AND LIFELONG LEARNING AND BASIC FINANCIAL SERVICES (I.E. ACCESS TO A BANK ACCOUNT)

Overview of the situation as seen by the European Commission:

Currently, childcare subsidy via tax credits is available for low-income employed families, and significant extensions to free childcare have been announced for 2017.

What are recent developments in the access to services in your country? Where do you see gaps (e.g. groups of people excluded from access to services, certain services not available in some regions etc.)? What are your recommendations to improve the situation?

Childcare

On 16 March 2016 the Childcare Act 2016 (the Act) become officially law. The Act extends the entitlement to 30 hours free childcare over 38 weeks of the year for three- and four-year-olds in families where all parents are working. All 3 to 4-year-olds in England can get 570 hours of free early education or childcare per year. Only families with low incomes (if they receive income support; income-based Jobseeker's Allowance (JSA); income-related Employment and Support Allowance (ESA); Universal Credit; tax credits and have an annual income of under £16,190 before tax; the guaranteed element of State Pension Credit; support through part 6 of the Immigration and Asylum Act; the Working Tax



▼
Credit 4-week run on (the payment you get when you stop qualifying for Working Tax Credit), can access free childcare when their child is 2 years old.

Since April 2016 the Childcare Costs element of Universal Credit currently pays for 70% of your registered childcare costs up to a monthly limit of £532 for one child or £912 for two or more children. From 11 April 2016, this has increased so that it is possible to claim back up to 85% of paid out childcare costs up to a monthly limit of £646 for one child or £1108 for two or more children.

Several studies have reported that the cost of childcare in a nursery can cost up to £6,000 a year. For mothers on low wages, after nursery and travel costs it can be barely worth working, with the government only covering the costs of some childcare once a child turns three. The provision of free childcare should be given earlier when the baby turns 9 months or as soon as parental leave finishes permitting the parents, generally the women to go back to their job. There are several charities in the UK that help single parents or lower income families lobby for their situation and to have a free child care provision from younger age, for example Gingerbread and NCT.

Health

In 2016 the Government has confirmed a spending review that will cut the total public health spending. The total public health spending in 2016/17 will be set at £3,388m and £3,304m in 2017/18. Public health funding will be cut by 9.7 per cent by 2020/21 in cash terms of £331 million, on top of the £200 million cut in-year for 2015/16 announced in November 2015. This makes Councils face significant spending reductions to their public health budget up to 2020/21. The Local Governments Association³⁹⁸ is concerned that reductions to the public health budget will have a significant impact on the essential prevention and health protection services provided by councils. Given that much of the local government public health budget pays for

398 <http://www.local.gov.uk/documents/10180/11493/Briefing+-+Public+health+funding+in+2016-17+and+2017-18/981d88ec-b8d2-4461-99b8-a893494783cc>

NHS services, including sexual health, drug and alcohol treatment and NHS health checks, this will be a cut to the NHS in all but name.

Care

Care in the UK is means-tested, with only the poorest getting help to pay for services, including help in the home for daily tasks such as washing and dressing, as well as round-the-clock support in care homes and nursing homes.

A report King's Fund and Nuffield Trust³⁹⁹ says that the number of over-65s being helped by councils had fallen by a quarter in the four years up to 2014. This was despite more people needing help, because of the ageing population.

The report goes on to highlight the growing numbers left with no care or having to pay for support themselves.

The report found that:

- The numbers getting help from their council with care had fallen by 26% to 850,000 in the four years to 2014
- Spending on care by councils had fallen by 25% in real terms in the five years to 2015, to £5.1bn
- Additional money from the NHS and increased contributions from individuals had topped this up to £7.2bn, but that still represented a cut of 9%
- Over 40% of money paid to care homes came from people paying for themselves
- One million people with care needs now receive no formal or informal help - a rise of 10% in a year

These developments put the whole care system at risk of collapsing. Moreover the UK strategic group, in particular representatives of the charities AGE UK and Samaritans have warned that the system relies too much on the work of charities and volunteers that are more frequently seen as replacing the statutory services of local authorities. A report from King's fund has calculated that around three million people volunteer in health and social care, making an important contri-

399 <http://www.kingsfund.org.uk/publications/social-care-older-people>



tribution to people's experience of care⁴⁰⁰.

Education

The Refugee Council has denounced that asylum-seeker children are generally unable to access a school place and some of them have to wait up to a year to get a place. Responsibility for educating asylum-seeker children falls between different authorities in the UK. Those in initial accommodation do not have a legal right to attend school and local councils say they do not have a legal responsibility to provide education for them. The Home Office says only that it tries to move children on from initial accommodation as quickly as possible. Children in initial accommodation seem to fare particularly badly because they are not allowed to go on a waiting list to get a school place, unlike other children seeking asylum.

Lifelong Learning

In May 2016 the Government Office for Science's has launched a new Foresight project⁴⁰¹ that looks at what changes in technology and work could mean for education and training across someone's lifetime, as people in the UK live longer. The project will also look at the role that science and technology can play in understanding this and providing solutions.

Basic Financial Services

To access the majority of services and benefits such as Universal Credit people need a bank account. Potentially millions of UK consumers cannot use the services that would help them meet their needs and play their wider role in financial markets and the economy. A paper from FCA shows that access is still one of the main problems identified. But access does not just affect the vulnerable - it affects consumers across the spectrum. This situation is not static and new access issues emerge, often unexpectedly, because of social and technological change.

From July 2013, cheque payments are no longer

400 http://www.kingsfund.org.uk/sites/files/kf/field/field_related_document/volunteering-in-health-literature-review-kings-fund-mar13.pdf

401 <https://www.gov.uk/government/collections/future-of-skills-and-lifelong-learning>

available for benefits administered by the Department for Work and Pensions (DWP) or by the Social Security Agency in Northern Ireland. An alternative system has been although created for those that are unwilling or unable to open an account for payment of the benefit, the DWP will pay you using the Simple Payment service. In that case the payment will be able to collect from a PayPoint outlet displaying the Simple Payment sign. The law establishes that it is illegal to be treated unfairly because of age, disability, gender reassignment, pregnancy or childbirth, race, religion, sex or sexual orientation when benefits or tax credits are paid. This applies to banks etc., but in the UK opening a bank account requires a proof of address (e.g. household bill) in addition to an identification document, which causes problems to vulnerable people such as homeless, new arrivals to the UK, women whose husbands manage the household finances or people without stable accommodation.



ANNEX

PROGRAMS AND COMMITMENTS WITHIN THE AMIF FUND RETURN MEASURES:

- **Assisted Voluntary Return Programme**

The overall aim of the AVR Programme is to provide an alternative to an enforced removal for those TCNs who have no legal basis on which to remain in the UK, or who wish to leave the UK prior to a decision being made. The AVR Programme is designed to achieve a dignified and sustainable return for any individual leaving the UK voluntarily. The beneficiary of the commitment of £13,673,306.62 has been Home Office – Immigration Enforcement.

- **Re-documentation Operation and Projects**

The overall aim of the project is to undertake activities to verify the nationality and/or identity to facilitate the return of third country nationals (TCNs) that no longer have a right to remain in the UK. This project covers the measures necessary for the preparation of return operations including activities relating to national/identity verification of TCNs in the country of origin and the UK. The project will also focus on co-operation with consular authorities of third countries with a view to obtaining travel documents, including inward visits from overseas officials and officials permanently based in the UK. The Home Office and Immigration Enforcement are the beneficiaries of the commitment of £1,941,946.06:

- **Facilitated Returns Scheme**

The overall aim of the project is to provide reintegration assistance to non-EEA Foreign National Offenders (FNO) through voluntary return and contribute to Immigration Enforcement's FNO removal target. The project will provide reintegration assistance and support via IOM who will facilitate and provide necessary information with regards to accommodation, business and or education on return, whilst also supporting vulnerable returnees.

AMIF commitment: £1,642,240.07

- **Family Returns Unit**

The overall aim of the project is to return families after all outstanding claims to remain in the UK have been refused, whilst meeting the requirement to comply with the statutory child safeguarding duty under S55 of the Borders, Citizenship and Immigration Act 2009. A family for the purpose of this project must consist of at least 1 adult and 1 dependant child under the age of 18 years, who are imminently removable.

AMIF commitment: £5,345,227.08

- **Hibiscus Initiatives**

The purpose of the operation is to support the UK priority on returns by contributing towards 600 successful, com-

pliant returns per year. The project will provide independent advice to those in immigration detention at Yarl's Wood, Colnbrook and Harmondsworth immigration removal centres (IRCs) to encourage them to comply with the returns process thereby increasing the number of compliant returns, reducing the number of escorted returns and the average number of days in detention at the three IRCs and allowing detainees to return home with dignity.

AMIF commitment: £300,000.00

- **Central Voluntary Departure Team**

The primary aims of the service are to encourage Third country nationals with no right to remain in the UK to leave on a voluntary basis, this will be through a dedicated team TCNs can contact who will discuss options and possible sanctions (such as re-entry bans), and if proceeding to departure organise tickets, travel documents and removing any barriers in getting TCNs to departure point.

The project will work by direct contact with TCNs to achieve 18546 vol deps.

AMIF commitment: £2,250,000.00 Final

- **Pilgrims Escorting Service**

The project will provide a detainee escorting service to Somalia and other countries with a fragile security environment as defined by the Foreign and Commonwealth Office travel advice. The project will deliver a unique solution and provides for enforced returns to be operationally viable to countries that the current escorting contractor is unable to travel to. Without this project there would be no mechanism to carry out escorted enforced returns to countries with fragile security environments.

AMIF commitment: £801,709.16 Project

- **Return of irregular migrants by charter flight (excluding Nigeria/Ghana 2014/15)**

To undertake removals of irregular migrants to their country of origin on charter flights with escorts. The principal countries to which returns are made are Pakistan, Nigeria, Ghana, Afghanistan and Albania (also assisting France to remove to Albania). Other countries can be included if there is an operational need. Charter returns have accounted for approximately 15% of all UK enforced returns in previous years, and this project will help maintain this level of charter returns. Charter flights will be used for cases where voluntary return is not suitable or has been refused.

AMIF commitment: £18,672,915.07

- **Return of irregular migrants by charter flight (staffing and escorting costs)**



To fund staff and escort costs for the work undertaken in project: UK/2015/PR/0008, which is to: undertake removals of irregular migrants to their country of origin on charter flights with escorts. The principal countries to which returns are made are Pakistan, Nigeria, Ghana, Afghanistan and Albania (in partnership with France). Other countries can be included if there is an operational need. Charter returns have accounted for approximately 15% of all UK enforced returns in previous years, and this project will help maintain this level of charter returns.

AMIF commitment: 5,778,808.92

LEGAL MIGRATION / NO2 – INTEGRATION:

- **Gateway Resettlement Programme - Statutory Service Provision**

The overall aim of the project is to resettle 1500 refugees to the UK over 2 years from various countries across the world and ensure they are provided with necessary support for 12 months after arrival after arrival to facilitate their long term settlement – specifically working together with statutory service providers to ensure health and education needs are met.

AMIF commitment: £8,553,496.00

- **Syrian Vulnerable Persons Relocation Scheme - Statutory Service Provision**

To resettle 350 Syrians to the UK in 2014/15 and 2015/16 and provide support for a period of 12 months after arrival ensuring access to health and education provision.

AMIF commitment: £3,449,104.88

- **Facilitated Return Scheme (FRS) 2**

To provide reintegration assistance to 975 non-EEA foreign national offenders (FNOs) removed to their home country through voluntary return from 01/01/16 to 31/03/17. The project will provide value for money by promoting compliance with the removals process at an early stage. Returnees receive an initial £500 on a cash-card immediately prior to departure to cover their costs on arrival, the remaining amount is loaded to the card following contact with IOM in the home country to discuss support needs.

AMIF commitment: £2,627,875.31

- **Verification Project**

The aim of the project is to undertake activities to verify the nationality and identity to facilitate the return of TCNs that no longer have a right to remain in the UK. The project will arrange:

- foreign officials from UK based embassies to conduct 146 routine nationality and identity verification interviews at removal and reporting centres;

- foreign officials from 5 countries (which may change over the project period) to visit the UK to conduct 36 nationality and identity interview missions, currently planned for officials from: China, Vietnam, Pakistan, Nigeria & Sierra Leone;
- foreign officials to be seconded to the UK to conduct 694 scheduled nationality and identity verification interviews.

This work will provide support for travel documentation to enable the removal of difficult cases.

AMIF commitment: £1,053,912.51 Final

ASYLUM / NO1 - RECEPTION/ASYLUM:

- **Asylum Support Application UK**

The project is to prevent destitution by facilitating access to statutory financial support and accommodation for eligible adult asylum seekers in the UK. The project will centralise assistance with completion of applications for asylum support for a minimum of 15000 adult asylum seekers per year. The service is contracted to Migrant Help by the Home Office. Migrant Help will:

- advise applicants what supporting evidence is required, and assist with submission of evidence;
- check applications, verifying eligibility and ensuring the application has been completed correctly;
- signposting asylum seekers to other services they may make use of follow up applications where necessary.

AMIF commitment: £3,694,544.69

- **Country Information Needs and Fact Finding Research**

To analyse and identify country of origin information (COI) needs/gaps in key asylum intake countries for asylum decision makers. 6 countries will be the focus of the project and cover a single or range of issues, initially these will be: Eritrea, Sudan and Sri Lanka. For each country the project will:

- review asylum decisions and appeals outcomes, asylum statistics and user surveys to determine the COI requirements;
- identify COI sources and conduct fact finding research both in the UK and overseas;
- publish the results of research and produce updated COI reports;
- review the use of the new reports and research.

AMIF commitment: £160,500.00 Project dates: 01/01/16 – 31/03/18

ASYLUM / NO2 – EVALUATION:

- **Asylum Impact Analysis Tool**

The aim of the project is to design and build a system for



assessing the impact of increases/decreases of a range of input variables across the asylum system. The tool will map the end-to-end asylum process and illustrate the impact of increased intake (as an example) on wider Home Office operations such as: casework; asylum support; appeals; immigration enforcement.

AMIF commitment: £61,230.75 Actual

• Asylum Operations Training

The project will fundamentally review and expand existing UKVI Asylum Operations training modules, with a view to redevelop, reinvigorate and professionalise the materials, delivery and structure. This will particularly focus on the 5 week foundation training programme (FTP) delivered to all new asylum caseworkers. The project will deliver the revised FTP to 150 new asylum caseworkers and updated refresher training to 350 currently employed caseworkers. This will increase the quality of initial decision making.

£1,739,671.24

• Summary Methodology and Digital Interviews

The project will rollout the use of digital recording equipment for asylum interviews across 11 sites in the UK. This will provide a digital transcription of interviews and provide a more efficient asylum system. The project will also review requirements of providing full interview transcripts for courts, and to assess whether a digital recording would be accepted by the court, reducing the need to produce papers for appeal hearings.

£1,940,495.33

• VAWG Action Plan

The project will provide a signposting and pilot counselling service to vulnerable women who have experienced sexual violence and have entered the asylum process. The project will provide the counselling service to 200 women through the pilot period.

£36,153.42 Project dates: 01/04/16 – 31/03/17

• Asylum Seeking Children's Service

The project will ensure that unaccompanied children claiming asylum in the UK receive adequate support and assistance, including independent advice, in order to prevent harm and to protect from exploitation by developing better access to support processes. The project will ensure that 5500 UASCs per annum receive support through the process of their asylum claim in England, support and assistance will be available face-to-face, and group or individual sessions.

AMIF commitment: £600,000.00

RETURN MEASURES:

• Criminal Casework Investigations Intervention

The project has 2 aims. The first is to build the capacity of Criminal Casework Investigations Team to assist in resolving the most challenging TCN Foreign National Offender (FNO) cases by:

- establishing the identity and nationality in disputed cases;
- tracing current FNO absconders via improved investigation and family tracing techniques;
- cooperation with consulates/embassies to identify and issue travel documentation.

The project will expand the skills of the staff on the team to ensure appropriate prosecution action is taken against complex cases.

£3,303,713.25

• Family Returns Unit (FRU) 2

The aim of the project is to ensure the removal of families once all outstanding claims to remain in the UK have been exhausted. The project focus is on encouraging and supporting families to return via one of the UK's voluntary routes, but if not effecting an enforced removal whilst ensuring the safeguarding of children. The expected outcome is to remove 900 family units through the life of the project.

£7,800,895.15

- Return of Irregular Migrants by Charter Flight 2

To undertake the removal of irregular migrants to their country of origin on charter flights with escorts. The removals will be made in a safe and dignified manner with escorting staff having received appropriate training. The outcome of the project will be 3516 removals.

£19,166,746.29

• Returns Facilitation at Heathrow and Yarl's Wood

The project will provide independent support and advice to those in immigration detention at 3 centres to encourage the migrants to comply with the returns process. The project will contribute to 624 compliant returns per year, reducing the average number of days in detention reducing costs to the UK, and allowing detainees to make an informed choice and to return in a dignified manner.

£1,004,538.15

Return measures

Voluntary Return Service (VRS)

The Voluntary Return Service (VRS) will provide an alternative to enforced returns to those with no legal basis of stay in the UK. VRS will achieve 31,500 removals through the life



of the project by providing a range of advice, information, financial assistance, and reintegration assistance. The project will enable migrants to return in a dignified and sustainable manner.

£18,638,296.14

ACCOMPANYING MEASURES

- **Family Pre-Departure Accommodation**

The project will provide pre-departure accommodation at 'Cedars' a specifically designed centre that supports the removal of families from the UK, and meets the UK Government's commitment to end child detention. The project will prepare bespoke plans to support 210 families prior to their arrival at the centre, and will provide security, safety, welfare and safeguarding advice to 27 families in centre. The services will be provided by two contractors, Barnardo's and G4S.

£6,199,232.52

- **National Community Engagement Leads**

The project will achieve 2700 voluntary departures of illegal migrants from the top 5 diaspora nationalities (BGD, CHN, IND, NIG, PAK). The project will achieve this by engagement activity with the diaspora communities in the UK, de-stigmatising and sign-posting voluntary departure as a credible and dignified option, and seeking to prevent exploitation of undocumented migrants.

£1,570,837.57

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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.



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