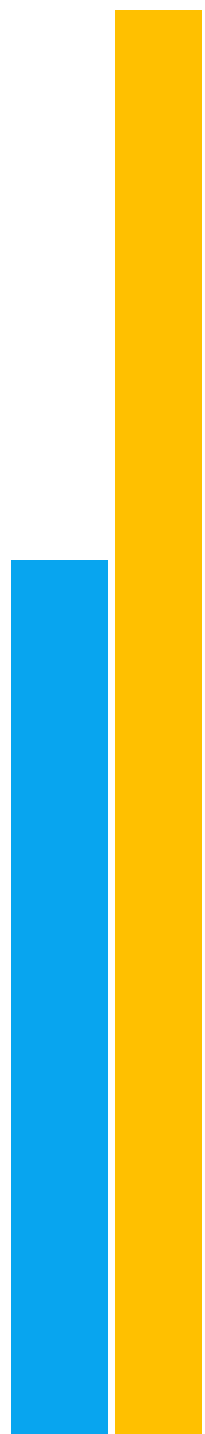




# COVID-19 and health inequalities

*– the role of the European Semester and the Recovery and Resilience Facility*

*Policy briefing*



## Introduction

While 2020 data are yet to be fully gathered and analysed, initial research has shown how the COVID-19 pandemic has exposed existing socio-economic disparities and led to new ones. It revealed investment gaps and systemic weaknesses. It has demonstrated how health and social care could be re-organised, delivered, and valued.

By looking at the initial evidence, the **Joint Action Health Equity Europe**<sup>1</sup> (JAHEE) is expecting a reduction in health equity due to negative impacts of the pandemic in terms of levels of infection, susceptibility, severity, mortality, accessibility, and quality of COVID-19 care and displacement of non-COVID-19 care. JAHEE also foresees long-term health consequences caused by the impact of the lockdown and other mitigation measures on poverty and unemployment, isolation, barriers to education, obstacles to community resources, complications in social care, and downward social mobility.

When the pandemic landed, JAHEE was caught in the middle of developing and implementing of over 70 *Implementation Actions* within 24 countries to tackle health inequalities. Due to the COVID-19 pandemic, several of these actions needed to be adapted but others became even more vital. Exchanging expertise and experiences across countries and acting on health equity monitoring, governance, healthy living environments, access to health services as well as improving the health of migrants are ever so important. While countries coordinated responses to the pandemic and its consequences, the European Union launched overall supportive strategies and programmes, such as the **Recovery and Resilience Facility (RRF)** and used frameworks such as the **European Semester** to steer reforms in an attempt to ‘build back better’. The RRF will put a large number of resources at disposal of Member States for the recovery ahead. While the design of the overall national Recovery and Resilience Plans are about to be finalised, their translation in concrete action at regional and local level is still under discussion. With its *Implementation Actions*, JAHEE intends to set examples and provide input in this process to support equitable and effective policy responses.

JAHEE decided to dedicate two policy dialogues on COVID-19 and health inequalities in order to contextualise and embed their *Implementation Actions* in wider European and international developments and to give policy makers and stakeholders opportunities to discuss expectations, concerns and solutions for the future ahead. The outcomes of the first policy dialogue can be found here<sup>2</sup>. Those of the second, “*Recovering from the COVID-19 pandemic and ensuring health equity - The role of the European Semester*”, are presented in this briefing. The policy dialogue was organised by JAHEE Working Package 4 – Integration in National Policies and Sustainability. It was held in parallel to the launch of a background report<sup>3</sup>, which sets out insights of experts on the impact of COVID-19 on health equity and on the role of the European Semester to instigate reforms. Indeed, the European Semester and the Recovery and Resilience Facility will have a crucial role during the upcoming recovery process, as will be outlined below.

## The role of the European Semester

*“The COVID-19 pandemic has thrown the world into a sudden and deep recession. Despite the strong, coordinated and innovative response at national and EU levels, many uncertainties remain; in particular how long this crisis will last and how exactly it will affect our lives and economies.” Annual Sustainable Growth Strategy 2021<sup>4</sup>*

Over the past years, social and health policy areas have increased in relevance in the European Semester. With the introduction of the **European Pillar of Social Rights**<sup>5</sup> in 2017 and the Social Scoreboard in 2018<sup>6</sup>, *quality* and *access* to social protection including health systems started to be formally assessed in the process. In 2019, the revamp of the overall goals of the process under a new **4-pillars structure** (figure 1), puts at the same level objectives of environmental sustainability, digital transition and productivity, fairness, and macroeconomic stability.

This year Annual Sustainable Growth Strategy (ASGS) has kicked off the European Semester 2021, highlighting the difficult challenges the EU will have to face in the years to come. Although the size of the impact of the COVID-19 pandemic is still unclear, there are no doubts that the EU and its Member States need to be ready to face its socioeconomic consequences to avoid a spiral of negative trends across the EU, which would ultimately lead to an increase in inequalities and related health inequalities.

Figure 1: four broader strategic objectives of the European Semester (4-pillars)



**The European Semester 2021 will be an exceptional cycle.** While the 4-pillars' structure remains unchanged, the process has been intrinsically intertwined with the **Recovery and Resilience Facility**<sup>7</sup> (RRF), a “*temporary recovery instrument that will allow the Commission to raise funds to help repair the immediate economic and social damage*” of the health crisis.

The RRF is the new large-scale financial tool to support reforms and investments and it stands at the core of the Next Generation EU<sup>8</sup> (the overall EU recovery financial instrument). It is intended to be used to address the challenges identified in the Country Specific Recommendations of recent years and in particular in the 2019<sup>9</sup> and 2020<sup>10</sup> cycles, enabling Member States to enhance their economic growth potential, job creation, and economic and social resilience, and to achieve the green and digital transitions.

### **Expert views on health equity and the role of the European Semester**

The EuroHealthNet report “*Recovering from the COVID-19 pandemic and ensuring health equity — The role of the European Semester*”<sup>11</sup>, presents the results from interviews with senior-level representatives from national public health institutes, regional health authorities, expert organisations as well as Ministries of Health, many of them JAHEE partners as well as EuroHealthNet members. Fourteen experts took part in the analysis. They represented seven countries (two experts per country): Finland, Greece, Ireland, Italy, Romania, Slovenia, and Spain. All experts overwhelmingly reported a major socio-economic impact of COVID-19 in their own country, and most of them noted widening inequalities as a result. They particularly highlighted the fact that the COVID-19 crisis has negatively affected access to health system and services, including for people with chronic conditions, and for people with poor digital skills.

The experts also noted that the COVID-19 crisis made clear that more investments are needed in public health, including in improved use of data, monitoring, and metrics, such as wellbeing indicators which should be better understood and utilized across sectors. Most experts generally agreed with the analysis of the European Semester as presented by the European Commission. However, several indicated that the analysis is still too economy-focused/driven and that social, health and sustainability aspects should have equal weight to economic aspects. Similarly, several experts highlighted the need for social and health ministries/departments/services to join forces and strengthen joint efforts to address health inequalities.

The exercise led to a set of recommendations for EU and Member States decision-makers to revise the European Semester process by addressing a wide range of social determinants of health (see annexe).

## Policy Dialogue

Taking stock of the main outcomes of the Annual Sustainable Growth Strategy, as well as the 2021 European Semester Autumn Package<sup>12</sup>, and the recently launched European Health Union initiative, JAHEE organised the policy dialogue “*Recovering from the COVID-19 pandemic and ensuring health equity — The role of the European Semester*” on 19 November 2020. The policy dialogue hosted panellists from the **European Commission** (Directorate-Generals for Health and Food Safety and for Employment, Social Affairs, and Inclusion) and the **European Social Observatory**. The dialogue also allowed the audience to interact during the meeting.

From the point of JAHEE, it was indicated that future reforms of health systems should foresee and include **health equity management methods**. These need to assess needs, carry out tailored interventions and facilitate adequate allocation of resources according to vulnerability or specific levels of inequalities. An *equity lens* should be used whenever and wherever possible on the basis of evidence and equity indicators.

Principles of **health in all policies** and the achievement of the Sustainable Development Goals<sup>13</sup> also need to be fully embedded in such reforms. To reach these objectives, it is crucial to provide investments and support to structures and practices for the implementation of the health (equity) in all policies approaches and intersectoral collaboration, with a particular focus on municipal settings and strong multi-level coherence.

JAHEE specifically recommends the implementation of Health Inequalities Impact Assessments (HIIA) and Health Equity Audits (HEA) in the development of the Resilience and Recovery Plans (RRPs) at national level, as well as in the subsequent the programmes that will be designed at regional and local levels. **This would not only provide a better understanding of the impact of the reforms across the social gradient of the population but also optimise the expected outcomes and embed principles of health equity in the process.**

The European Commission set out how the outbreak of the COVID-19 pandemic led to the emergence of several challenges often linked to already existing structural problems. Health systems are indeed under heavy pressure by the direct impact of the COVID-19 outbreak<sup>i</sup>. In addition to the initial socioeconomic impact of the crisis, the expected long-term increase in unemployment and decrease of the Gross Domestic Product rates will lead to an economic recession in the EU. The Recovery and Resilience Facility (RRF) has been put in place in response to this scenario. However, critical points have been identified.

---

<sup>i</sup> Namely in terms of efficiency, sustainability, universal health coverage, performance, access, cost-effectiveness, availability, affordability, funding, disease prevention, out-of-pocket payments, health outcomes, health promotion, and shortages of healthcare professionals

The European Social Observatory (ESO) explains that, de facto, the RRF “replaces” the European Semester process for the 2021 cycle. Core elements of the process<sup>14</sup> have been put “on hold” or replaced by other types of documents related to the funding programme.

The RRF implementation will be steered by the ‘Recovery Task Force’ (RECOVER)<sup>15</sup>, which will work in close cooperation with the Director-General (DG) for Economic and Financial Affairs (ECFIN). Similarly, within the Council, a key role has also been attributed to the Economic and Finance Committee (EFC). However, **the role of more social-oriented DGs in the Commission or committees<sup>16</sup> in the Council is still unclear or needs to be recognised.**

The Next Generation EU is symbolically a major step forward since the EU overcomes two historic barriers of European integration: the long-term opposition to large size EU action financial support, and the opposition to explicit fiscal transfers to member states. However, **the absence of social affairs players represents a risk to lose a ‘socialisation’ of the Semester and has the potential to undermine the progress done so far in promoting principles of equity within the process.**

Further challenges and opportunities identified in the policy dialogue:

- Health and social equity are key aspects to consider in the evaluation of plans for future reforms. However, the limited competences of the European Union in these sectors require Member States to proactively include them in their plans for accessing the RRF
- A strong emphasis has been given to health and social matters at the EU and national levels. This represents a good opportunity for policy makers and stakeholders to raise awareness on challenges and opportunities for health equity in their policy agendas
- Health ministers have not been involved in the Semester process to a great extent. The current context could offer a good opportunity for them to reflect on their role therein
- Issues related to the vulnerability of migrants have are underrepresented in comparison to the previous years
- Social and health care actors should enter in dialogues with national governments, using the leverage of the social and health Country Specific Recommendations, advocate for investments and ask for technical support on health equity-relevant reforms from the upcoming Recovery and Resilience Facility
- To translate investments into long-term solutions, funding should be invested in structural reforms tackling systemic weaknesses and improve resilience for future sustainability. Fiscal sustainability and social protection should be seen as two complementary sides of the same coin. With regard to health systems, it is crucial to strengthen outpatient and primary care, health promotion and prevention measures, to alleviate high demands for hospital care

## Next steps

Health and social concerns are high on the policy agenda across the European Union. The Joint Action Health Equity Europe (JAHEE) will continue to engage in dialogue with policy makers to foster health equity in European and national policy frameworks. The structural reforms planned for the post-COVID-19 recovery phase should consider health equity management and assessment methods to improve the quality and resilience of health systems across the EU.

JAHEE will continue to look at political, institutional, and practical success factors and barriers to fostering the effective implementation and sustainability of policies and actions for health equity. The JAHEE consortium aims to contribute to the development of the Recovery and Resilience Plans (RRPs) and to the overall actions that will be put in place to respond to the COVID-19 pandemic and its consequences. In particular, JAHEE can provide support for the implementation of Health Equity Impact Assessments and Health Equity Audits for the development and implementation of the RRP. JAHEE's main outcomes, its *Implementation Actions*, will provide a substantial source of inspiration for the translation of national plans into regional programmes.

Finally, further guidance documents will be developed on how existing EU policies and tools can support Member States in improving health equity in the areas covered JAHEE.

## ANNEX – RECOMMENDATIONS

On the basis of the evidence gathered and analysed in 2020, decision-makers at all levels across Europe – and specifically those acting in the context of the revised European Semester process in 2020 and subsequent years - are advised to:

- 1. Use the EU Recovery and Resilience Facility and other recovery funds for capacity building and strengthening public health and health promotion and its connections with primary and community care.** There are also regional variations and disparities which need to be addressed for cohesion and wellbeing.
- 2. Health and social equity impact assessments are needed and beneficial for effective policymaking.** The pandemic has highlighted existing inequalities and magnified new inequalities. These changed needs and priorities require integrated actions for physical and mental health as well as actions that address socio-economic circumstances.
- 3. To understand the new demands, behaviours, and responses, better gathering, monitoring, and use of existing and new forms of data and evidence is needed, including voices from the field.** Knowledge captured from lived experiences is a key part of that new approach, as well as more effective cross-border co-operation.
- 4. Integration should be improved across sectors in the whole of government approaches and at all levels.** Financial or economic measures and health, social, and wellbeing needs are often portrayed as competitive or mutually exclusive. Our analysis shows however we need healthy societies and to be economically sustainable at the same time, not subsequently: evidence shows healthy, sustainable, and equitable societies perform better. Only then the 2030 Sustainable Development Goals (SDGs) can be met.
- 5. The needs of children should be prioritised.** Equitable access for all children to early years support, to learning new technologies and skills, and to opportunities for social, mental, cultural, and physical wellbeing are paramount in recovery measures. The proposed EU Child Guarantee can be a very important initiative in encouraging and supporting the Member States to develop such actions.
- 6. Implementing the EU Skills Agenda equitably is critical.** This applies to wider public health workforces as well as within health-promoting health systems and tackling skills shortages for people in new worlds of work, green deal, and digital transition contexts.
- 7. Living conditions including housing are unacceptable and inequitable for many people.** The pandemic has illuminated higher prevalence due to overcrowded households and in high-density areas; and worse impacts in homelessness or bad housing conditions, and links with higher levels of air pollution. This is a clear call to action for urgently improving living conditions as a key outcome of the recovery.
- 8. Equitable social protection measures for people in need throughout the life-course have been shown to be essential lifelines.** From welfare of children and young people, income and employment support, inclusive integration for migrant people, gender equity and work-life balance



measures, through to healthy and active ageing and dignity to end of life. The European Semester process must help implement the European Pillar of Social Rights.

**9. New needs for social care and ageing has been one of the “elephants in the room” in many states: it needs to be equitably addressed.** Older people, particularly those in care homes, have been shown to be vulnerable to COVID-19. Meanwhile, digital exclusion has been identified as problematic. Better community services to support older people to stay living in the community and safe, equitable provision of care must be provided.

**10. Access and inclusion in the European Semester and related governance and design processes need substantial changes.** The need to shift from bio-medical models to psycho-social priorities has been clearly demonstrated. The European Semester is a prime tool to take that forward in binding ways and with RFF funds. To achieve that effectively, all relevant stakeholders will need to be involved and engaged from design to decision to implementation to monitoring and evaluation in new ways.

## Endnotes

<sup>1</sup> Joint Action Health Equity Europe, <https://jahee.iss.it/>

<sup>2</sup> Joint Action Health Equity Europe, <https://jahee.iss.it/documents/>

<sup>3</sup> The report has been produced by EuroHealthNet (owner) in collaboration with JAHEE [https://eurohealthnet.eu/sites/eurohealthnet.eu/files/Recovering%20from%20the%20COVID-19\\_The%20role%20of%20the%20European%20Semester\\_Report%20final.pdf](https://eurohealthnet.eu/sites/eurohealthnet.eu/files/Recovering%20from%20the%20COVID-19_The%20role%20of%20the%20European%20Semester_Report%20final.pdf)

<sup>4</sup> Annual Sustainable Growth Strategy 2021, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM:2020:0575:FIN>

<sup>5</sup> The European Pillar of Social Rights in 20 principles, [https://ec.europa.eu/commission/priorities/deeper-and-fairer-economic-and-monetary-union/european-pillar-social-rights/european-pillar-social-rights-20-principles\\_en](https://ec.europa.eu/commission/priorities/deeper-and-fairer-economic-and-monetary-union/european-pillar-social-rights/european-pillar-social-rights-20-principles_en)

<sup>6</sup> Social scoreboard, <https://composite-indicators.jrc.ec.europa.eu/social-scoreboard/>

<sup>7</sup> The Recovery and Resilience Facility, [https://ec.europa.eu/info/business-economy-euro/recovery-coronavirus/recovery-and-resilience-facility\\_en](https://ec.europa.eu/info/business-economy-euro/recovery-coronavirus/recovery-and-resilience-facility_en)

<sup>8</sup> Recovery plan for Europe, [https://ec.europa.eu/info/strategy/recovery-plan-europe\\_en](https://ec.europa.eu/info/strategy/recovery-plan-europe_en)

<sup>9</sup> 2019 European Semester: Country Specific Recommendations, [https://ec.europa.eu/info/publications/2019-european-semester-country-specific-recommendations-commission-recommendations\\_en](https://ec.europa.eu/info/publications/2019-european-semester-country-specific-recommendations-commission-recommendations_en)

<sup>10</sup> 2020 European Semester: Country Specific Recommendations, [https://ec.europa.eu/info/publications/2020-european-semester-country-specific-recommendations-commission-recommendations\\_en](https://ec.europa.eu/info/publications/2020-european-semester-country-specific-recommendations-commission-recommendations_en)

<sup>11</sup> Recovering from the COVID-19 pandemic and ensuring health equity, [https://eurohealthnet.eu/sites/eurohealthnet.eu/files/Recovering%20from%20the%20COVID-19\\_The%20role%20of%20the%20European%20Semester\\_Report%20final.pdf](https://eurohealthnet.eu/sites/eurohealthnet.eu/files/Recovering%20from%20the%20COVID-19_The%20role%20of%20the%20European%20Semester_Report%20final.pdf)

<sup>12</sup> 2020, Autumn Package, [https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-economic-governance-monitoring-prevention-correction/european-semester/european-semester-timeline/autumn-packa2ge\\_en](https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-economic-governance-monitoring-prevention-correction/european-semester/european-semester-timeline/autumn-packa2ge_en)

<sup>13</sup> The 2030 Agenda for Sustainable Development <https://sdgs.un.org/goals>

<sup>14</sup> In particular, Country Reports and Country Specific Recommendations

<sup>15</sup> Set up within the Secretariat-General of the Commission

<sup>16</sup> Employment Committee and Social Protection Committee