

Role of the social partners in the European Semester

Executive summary

Introduction

This report analyses the involvement of the peak social partners in the European Semester at EU level and national level between 2011–2014, particularly during the preparation of the National Reform Programmes (NRP) and the adoption of the country-specific recommendations (CSRs) dealing with employment and social policy issues. While key aspects of the EU Semester, such as the involvement of the social partners in the coordination of fiscal policies or in the macroeconomic imbalance procedure, are outside the scope of the report, it should be acknowledged that the policies adopted in the context of these processes have had a significant influence on national industrial relations systems, labour market policies and institutions and the framework in which social partners are operating. The report was compiled on the basis of desk research and individual national reports from Eurofound's network of European correspondents covering all EU Member States, in most cases involving direct consultation with social partner organisations.

Policy context

The European Semester is the EU's annual cycle of economic policy guidance and surveillance, along with the Stability and Growth Pact and other fiscal instruments, whereby the Commission undertakes a detailed monitoring and analysis of EU Member States' plans for budgetary, macroeconomic and structural reforms and provides them with recommendations for the next 12–18 months. Launched in 2011, the process starts with the Commission's Annual Growth Survey (AGS), published in November, which outlines economic priorities for the EU and Member States for the coming year. The actual timetable for the Semester starts in January when Member States submit their policy plans ('National Reform Programmes') to be assessed at EU level on the basis of EU-level advice ('guidance') received, following which they are given individual recommendations ('country-specific recommendations') for their national budgetary and reform

policies. After they have been discussed in different EU committees and formations, the recommendations are endorsed by the European Council in June and formally adopted by ECOFIN in July.

The role of national social partners in the European Semester is not set out in the European economic governance (the so-called 'Six-Pack'), despite the fact that the social partners are seen as key agents in the development of the European Semester. Since 2013, the European Commission, along with other European institutions, has called for a closer involvement of the national social partners in the decision-making process of the European Semester, with a view to enhancing the ownership of EU policies, ensuring meaningful implementation, and consequently increasing their effectiveness.

Key findings

At EU level, the involvement of the social partners in the European Semester process has improved over the past couple of years: they are now consulted before the AGS is published and in 2015 the country reports were published three months earlier in order to encourage a better discussion of them. In 2014, the European social partners participated directly in discussions at the informal meetings of the employment and social affairs ministers. Nevertheless, EU institutions and European social partners agree that there is a need for even greater involvement on the part of the social partners.

Although the social partners are involved in the elaboration of National Reform Programmes in the majority of Member States, there are significant differences regarding levels of involvement. In 10 countries the social partners are consulted regularly, with enough time for information and consultation; in seven countries, while consultation is regular, predictable and balanced, it was reported that there is not enough time allocated; in a further five countries,

consultation is mixed, often being irregular, unbalanced and with insufficient time allocated.

In 23 Member States, there are no specific provisions regulating the involvement of the social partners in the European Semester: this takes place mainly within already established social dialogue structures and institutional frameworks. However, six countries have approved measures to establish formal structures for involving the social partners on matters regarding the European Semester and the Europe 2020 strategy.

In terms of influence over the content of the National Reform Programmes, only in five countries do the social partners have a strong influence over the content: in six countries they have no influence and in 13 countries they have limited or even very limited influence.

The report shows that the European Commission has established contacts with national social partners in 12 Member States to discuss the CSRs once they are adopted, or to debate general issues related to the European Semester.

The study has also revealed that only in 10 countries are the national social partners involved in some way in the definition or implementation of the CSRs. In one Member State, Sweden, the specific nature of national social dialogue – with its emphasis on the need to respect the competence of social partners to negotiate autonomously – has even succeeded in modifying the CSRs drafted by the European Commission. However, other countries have implemented important labour market reforms without consulting the social partners, even when the European Council had recommended them to do so.

Most trade unions view the policy content of the European Semester as unbalanced, being focused on promoting austerity rather than on achieving other social goals included in the Europe 2020 Strategy, such as reducing poverty or promoting social cohesion. Employer organisations, however, tend to be more satisfied with the content of the recommendations.

Policy pointers

- There is a general consensus among the EU-level actors (EU institutions and European social partners) that despite recent progress there is room for improvement in terms of the involvement of the social partners both in the European and the national strand of the European Semester.
- Given that some Member States have set up specific social dialogue structures to involve the social partners in the process, countries that do not have such structures could consider creating them in order to enhance their involvement.
- National authorities should consider improving the level of institutionalisation – in terms of regularity, time allocated and degree of balance – of social partner involvement in the National Reform Programmes.
- National authorities could look into involving the social partners in the National Reform Programmes in a more effective and transparent way with a view to increasing their impact on the content.
- The European Commission should encourage, in cooperation with national authorities, a more timely process in order to provide better and more accurate information to the social partners on the content of the CSRs.
- The European Commission and the national authorities could consider involving the social partners more in the implementation of the CSRs. They could also monitor closely whether suggestions to implement certain recommendations in 'consultation with the social partners' were followed and report the results in the next country reports.
- The European Commission could strengthen the role and highlight the visibility of the European Semester Officers by better defining their function and tasks.
- The European Commission could support the capacity-building of social partner organisations in terms of their contribution to the European Semester.
- Further research could be carried out to analyse the factors promoting effective social dialogue in the context of the European Semester and beyond.

Further information

The report *Role of the social partners in the European Semester* is available at <http://www.eurofound.europa.eu/publications>.

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