

Involvement of social partners in the implementation of national recovery and resilience plans

Introduction

After temporary adjustments in 2020 and 2021, the European Semester cycle returned to its pre-pandemic format in 2022, although now fully updated to take into account the implementation of the Recovery and Resilience Facility (RRF), ensuring complementarity and avoiding overlaps. The RRF is the blueprint for an ambitious investment and reform agenda, aiming to boost growth and have a stabilising effect by maintaining investment levels in Member States in a context of rising prices and economic uncertainty. The RRF's unique nature, as a demand-driven and performance-based instrument, is a key component of the EU's future-oriented strategy, and is destined to make a significant contribution to the European Green Deal, the EU's long-term growth plan to make Europe climate neutral by 2050.

Policy context

Over a year and a half after the adoption of the RRF, implementation of the recovery and resilience plans (RRPs) is progressing satisfactorily, according to the European Commission's July 2022 assessment. The need for social partners and other stakeholders to be involved in the preparation and implementation of the RRPs is established in the RRF Regulation, which requires that the RRPs set out 'a summary of the consultation process ... for the preparation and, where available, the implementation of the plan and how the inputs of the stakeholders are reflected in the plan'. This requirement was underscored in the EU's Annual Sustainable Growth Survey, which launched the 2022 cycle of the European Semester.

Key messages

- The findings of the present study indicate some degree of discontent with the overall quality of the social partners' involvement in implementing the RRPs and drawing up the national reform programmes (NRPs) in the 2022 cycle. The results show that involvement is uneven and, in many Member States, rather weak, as reported by the social partners in particular.
- According to the information received, the involvement of the social partners was more prominent during the design of the main components of the RRPs, which mainly took place in 2021, than during the implementation phase. This is probably a result of the different dynamics governing the preparation and multiannual implementation of the RRPs, since the timing for the development of the measures and their implementation may require a longer scale, involving additional players and management levels.
- Social partners in many Member States still complain that involvement tends to be a rather formal and somewhat superficial process, with social partners unable to provide effective input. Trade unions are particularly critical of their role in the execution of investments, which has been rather limited so far. Employer organisations are more positive about their involvement in the implementation of investment initiatives set out in the RRPs, including measures addressing small and medium-sized enterprises (such as digitalisation policies). However, as a rule, the assessments of both social partners are similar in terms of the implementation of the RRPs and preparation of the 2022 NRPs.
- With a few exceptions, the social partners pointed to the following unfavourable factors:
 - The time allotted to social partner involvement in drawing up the NRP or implementing the various measures included in the RRP was insufficient.
 - A genuine process of consultation and discussion was lacking in some Member States, despite the fact that several Member States have established new bodies to involve the social partners in RRP implementation.
 - National authorities tended not to reflect adequately trade unions' and employer organisations' views and proposals in the NRP.
 - While social partner involvement through tripartite social dialogue institutions can provide more opportunities for meaningful contributions, participation in these bodies was mainly limited to information exchange.

- The overall findings are nuanced and should be considered in the context of national social dialogue practices, as social partners' assessments may be influenced by various issues.
- Member States' differing speeds in relation to the implementation of reforms and investments have led to data that are not easily comparable. This uneven progress must be considered when analysing social partners' assessments of their involvement, as some Member States are already forging ahead, whereas others are in the early stages of implementation.
- There is a consensus among social partners in some Member States (for example, Belgium, Cyprus and Poland) that it is still too early to assess social partners' involvement in the implementation of measures because the implementation process is still in the early stages. As a result, some reforms and investments have not yet started (and no consultation has taken place).
- The complexity and diversity of the measures in the RRFs (and insufficient time allotted to consultation) are other factors identified by social partners – and national authorities, in some cases – as limiting the quality of their involvement.
- The minor financial impact of the RRF in some Member States (for example, Luxembourg and some Nordic countries) may be reflected in social partners' low level of interest in being involved in some policy actions, reforms and investments.
- National disputes or diverging views on social dialogue may have affected the responses provided in some countries: when tripartite labour relations are tense, the shadow cast by these disputes may influence views on social partners' involvement in the discussions on the RRFs and NRPs.
- The mismatch between expectations about and the actual level of participation of the social partners in the implementation of the RRFs or the preparation of the NRPs is still an issue. There are differences in vision (and ambition) between public authorities and social partners.

- The quality and intensity of the involvement confirms once more that in countries with well-established social dialogue frameworks the implementation of reforms involves regular engagement with social partners.

Policy pointers

- Implementing the RRF, including REPowerEU, will remain at the centre of the EU's macroeconomic policy, aimed at ensuring a smooth twin transition. Therefore, the implementation of the various reforms and investments included in the RRFs will require an effective new dynamic to involve social partners flexibly and effectively in consultation on all measures in those Member States where social dialogue has been reported to be uneven and underdeveloped.
- Care should be taken to ensure that gaps and fragmentation between different government departments' activities and different levels of government do not prevent the effective involvement of social partners in the implementation of the RRFs. Equally, Member States should make efforts to improve how the involvement of social partners is reported in the NRPs, by indicating which measures are supported by social partners or providing further details on consultation procedures.
- The involvement of social partners in policymaking and particularly in the implementation of the RRFs is an indicator of the quality of social dialogue. As seen during the COVID-19 crisis, good-quality social dialogue pays off in turbulent times when stability is needed to face ongoing economic uncertainty; it certainly played a major role in managing the crisis and mitigating its negative economic and social effects.

Further information

The report *Involvement of social partners in the implementation of national recovery and resilience plans* is available at <https://eurofound.link/ef22044>

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