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Role of the Social Partners in the European Semester

Abstract

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.

Keywords

Europe, social partners, industry, social dialogue, policy

Comments

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Country codes

28 EU Member States

AT	Austria	FI	Finland	MT	Malta
BE	Belgium	FR	France	NL	Netherlands
BG	Bulgaria	HR	Croatia	PL	Poland
CY	Cyprus	HU	Hungary	PT	Portugal
CZ	Czech Republic	IE	Ireland	RO	Romania
DE	Germany	IT	Italy	SE	Sweden
DK	Denmark	LT	Lithuania	SI	Slovenia
EE	Estonia	LU	Luxembourg	SK	Slovakia
EL	Greece	LV	Latvia	UK	United Kingdom
ES	Spain				

Abbreviations and acronyms used in the report

AGS	Annual Growth Survey
AMR	Alert Mechanism Report
CEEP	European Centre of Employers and Enterprises providing Public Services
CSR	Country-specific recommendations
EESC	European Economic and Social Committee
NAP	National Action Plans
NRP	National Reform Programmes
ECOFIN	Economic and Financial Affairs Council
EMCO	Employment Committee
EMU	Economic and Monetary Union
EPSCO	Employment, Social Policy, Health and Consumer Affairs Council
ETUC	European Trade Union Confederation
MED	Macroeconomic Dialogue
MIP	Macroeconomic Imbalance Procedure
SPC	Social Protection Committee
TFEU	Treaty on the Functioning of the European Union
TSS	Tripartite Social Summit
UEAPME	European Association of Craft, Small and Medium-sized Enterprises

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. Employers' 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.

Introduction

This report explores the involvement of peak social partners in the European Semester (from 2011 to 2014) at both EU and national level. Its main goal is, however, to map, analyse and assess the role of the national social partners in the European Semester at key junctures – the preparation of the National Reform Programmes (NRP) and the adoption and implementation of the country-specific recommendations (CSR) – with a special focus on employment and social policy issues. The report does not address in detail the other key pillar of the EU Semester – the economic governance pillar that includes the coordination of fiscal policies and the Macroeconomic Imbalance Procedure (MIP) – or attempt to assess social partner involvement in this. This would require a much wider approach and is outside the terms of this report. Nevertheless, it should be acknowledged that the policies adopted in the context of these processes have been important influences on national industrial relations systems, labour market policies and institutions and the framework in which social partners are operating. These issues have been addressed in earlier Eurofound research on the *Impact of the crisis on industrial relations* (2013a and c) and *Changes to wage-setting mechanisms* (2014a). They have provided an important part of the context for the involvement of the social partners in the employment and social policy aspects of the European Semester addressed in the present report, and have often proved controversial as well as being contested by social partner organisations (mainly, but not exclusively, on the trade union side). This reflects the fact that the issues addressed include the arena of wage-setting and collective bargaining – where the social partners expect their autonomy to be respected. The timeframe covers the European Semester from 2011 to 2014.

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 management and labour 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.

The first chapter of this report explains the European Semester, analysing in detail the two junctures at which there is room to involve national social partners, (the NRP and CSR). The second chapter sets out the views of EU institutions and peak-level EU social partners, as well as academic experts and NGOs, on the level of involvement of the social partners in the process. The third chapter assesses the role of the national social partners in the European Semester in both the NRP and CSR. With respect to the NRP, the study explores the frequency and regularity of the social partners’ involvement, the time allotted to informing them and to consultation, and the degree of balance of the consultation among trade unions and employer organisations. It also presents information gathered on the extent to which the social partners’ views are taken into consideration by the national governments when drawing up NRP. This chapter also assesses the role played by the European Commission and national governments in communicating the CSR. The different degrees of involvement at national level (information or consultation), as well as the involvement at the different stages (definition of CSR or implementation), are investigated. Finally, the report analyses the national social partners’ views with regard to the European Semester.

The report was compiled on the basis of desk research and individual national reports submitted by Eurofound’s network of European correspondents and covering all EU Member States. These reports, in most cases, also involved direct consultation with social partner organisations. The situation in each Member State was drafted on the basis of a structured questionnaire, covering the following areas:

- source of the social partners’ right to be involved in the European Semester and the form this takes;
- involvement of peak-level national social partners in the NRP in the field of employment and social policies;
- involvement of peak-level national social partners in the CSR in the field of employment and social policies;
- views of the national social partners on the operation and content of the European Semester (NRP, CSR).

European Semester: 1 the institutional blueprint

The European Semester was announced in a European Commission Communication of 12 May 2010. This document proposed to reform the Stability and Growth Pact and implement a ‘European Semester’, which would give the EU new powers over Member States’ budgets. This proposal was approved by the European Council on 7 September 2010, setting January 2011 as the date for the Semester’s implementation (European Commission, 2010). The aim was to ensure consistency between national budgets and commitments made at European level. The European Semester is a procedure whereby the EU and the euro zone coordinate their proposed budgetary and economic policies in line with both the Stability and Growth Pact and the Europe 2020 strategy. It is an annual cycle of economic policy coordination and budgetary surveillance of the Member States, which provides a framework of guidance and examination prior to Member States’ approving their final budgets for the following year.

European Semester cycle

The European Semester was launched at the beginning of 2011. Its timetable kicks off every January and extends over six months. Prior to this, in October, Member States have to submit their draft budgetary plans for the following year. The Commission issues an opinion on each of them in November, having assessed whether the draft budgetary plans meet the requirements under the Stability and Growth Pact. Publication of the Annual Growth Survey (AGS) and the Alert Mechanism Report (AMR) at the end of the year sets in motion the Semester process which gets underway in January. The European Commission uses the AGS to set the key economic policy priorities for the coming year. The Alert Mechanism Report includes, in an annex, a scoreboard of 11 headline and auxiliary indicators covering the major sources of macroeconomic imbalances. On the basis of an economic reading of the scoreboard, the Commission may decide to investigate the situation in a particular Member State in greater detail and to this end to conduct an in-depth review, examining the accumulation of imbalances, and the related risks for growth, jobs and financial stability.

Published in the spring, the in-depth reviews identify any imbalances or excessive imbalances. The Commission also adopts the Joint Employment Report. When the European Commission drafts the AGS, the European social partners are consulted on its labour market aspects. The AGS is discussed in the European Council and the European Parliament in advance of the Spring Council in March. The Alert Mechanism Report is the starting point for the annual Macroeconomic Imbalance Procedure (MIP). The MIP aims to identify and address economic imbalances that hinder the smooth functioning of the economies of Member States, the economy of the EU, or the euro zone. As mentioned, the AMR identifies Member States that require further analysis, although it does not draw any conclusions on the existence of imbalances and does not provide policy recommendations.

In February, the Commission presents the country reports (previously called staff working documents), outlining in turn its assessment of national economic and social developments and challenges, the reform agenda, the progress of each Member State in addressing the issues identified in the previous year’s CSR and progress towards achieving the goals of the Europe 2020 strategy for each Member State and the euro area as a whole. The country reports also include the results of the in-depth reviews for the Member States identified in the Alert Mechanism Report, including the outcome of the review carried out under the MIP. On the basis of this analysis, the Commission then proposes to update the status of Member States under the MIP. The Commission may enter into discussions with national social partners on the country reports.

At the Spring Council, the European Council identifies, on the basis of the AGS, the AMR and the in-depth reviews, the main challenges facing the EU and agrees common fiscal and structural policies. The conclusions reached in the Spring Council are the basis for the Council recommendations on budgetary and economic policies.

In April, the Member States present their medium-term budgetary strategies through Stability Programmes (euro zone countries) and Convergence Programmes (countries outside the euro zone) to the Commission, based on recommendations from the Council. They also send the National Reform Programmes to the Commission, including information on employment and economic policies. The NRP, to which the national social partners are obliged to contribute, are understood as forward-looking political documents setting out the comprehensive annual strategy to implement the integrated guidelines.

The integrated guidelines contain two distinct, but interconnected, legal instruments: the Broad Economic Policy Guidelines and the Employment Guidelines. They incorporate recommendations regarding employment policies, macroeconomic policies and micro-economic policies. The integrated guidelines frame the scope and direction for Member States' national programmes and serve as a reference for the development of CSR. Unlike Regulations or Directives, guidelines are not legally binding instruments. In 2010, the integrated guidelines were formulated in line with the Europe 2020 strategy. The new set of integrated guidelines is in line with the new approach to economic policy-making, and is built on investment, structural reforms and fiscal responsibility, as set out in the Commission's 2015 Annual Growth Survey.

In May and June, the Commission evaluates the programmes and plans of the Member States and issues CSR for each Member State. The Commission has the right of initiative in drafting and presenting the proposals of the CSR. However, it can only inform the social partners once the draft CSR are adopted by the Council. These recommendations provide tailor-made policy advice to Member States on how to foster growth and employment while keeping sound public finances, highlighting areas deemed as priorities for the next 12–18 months. The advice ranges from issues such as public finances and structural reforms to pensions, wage indexation and youth unemployment. The CSR are a central plank of the European Semester.

The programme countries (Member States which are under reform programmes required by the troika of European and international institutions) do not receive CSR, as their compliance with their macroeconomic adjustment programmes is monitored under a separate, more intensive process. CSR are drafted by the Commission in May on the basis of the information, provided by the Member States in April, in their medium-term budgetary plans and economic reform programmes. The proposed recommendations are then discussed by the Economic Policy Committee (EPC), the Economic and Financial Committee (EFC) the Employment Committee (EMCO) and the Social Protection Committee (SPC) and in the Council (Economic and Financial Affairs Council (ECOFIN) and Employment, Social Policy, Health and Consumer Affairs Council (EPSCO)). They are then endorsed by the European Council in June and formally adopted by ECOFIN in July.

There are three main innovations of the European Semester compared to the old procedures of the Stability and Growth Pact. First, the field of surveillance and the prevention of imbalances has been extended: the scope now takes both fiscal imbalances (public debt/public deficits) and global macroeconomic imbalances via the MIP into consideration. Second, the binding character of this surveillance in the case of excessive fiscal or macroeconomic imbalances has been strengthened. Although sanctions are not completely automatic, the procedure for their adoption has been made easier in comparison to the old Stability and Growth Pact procedure. As it stands now, sanctions proposed by the Commission are approved by the Council, unless they are rejected by a qualified majority vote of the Economic and Financial Affairs Council (ECOFIN) within 10 days. Third, an *ex ante* surveillance has been introduced: the presentation and evaluation of the stability and convergence programmes is carried out before national governments take the final decision about their budgetary policies (Degryse, 2012).

National Reform Programmes (NRP)

NRP replaced the National Action Plans (NAP) when the European Employment Strategy (EES) was revised in 2005 and the Employment Guidelines integrated into the Broad Economic Policy Guidelines. The integrated guidelines, which cover three years, contain recommendations regarding employment policies, macroeconomic policies and micro-economic policies. They are seen by some as examples of ‘soft law’, because, unlike Regulations or Directives they are not legally binding instruments and lack sanctions such as those in the Stability and Growth Pact (Jacobsson, 2004). However, the innovation brought in by the European Semester around sanctions, which can be imposed on countries that cause ‘macroeconomic imbalances’, have led other authors to conclude that EU guidelines can no longer be dismissed as ‘soft law’ (Erne, 2015).

The NRP are key tools in the European Semester process, providing a vehicle for national governments to outline the main measures taken to implement the integrated guidelines. Hence, they include information on economic and employment policies, such as structural reforms, and must be submitted every year, in parallel with the Stability and Convergence Programmes. The Council examines the implementation of the employment policies of the Member States, based on the NRP and the opinions of EMCO. The Member States also have an opportunity to review each other within the EMCO (‘peer review’), after which the Council and the Commission draft a joint annual report that is presented at the same time as the AGS.

The national social partners must contribute to the drafting and implementation of the NRP, in the same way as they were previously involved in the preparation of the NAP. Indeed, consultation over employment economic policy through regular involvement on the part of the social partners was practised prior to the economic crisis in most Member States, although not always regularly. During the Lisbon process (2000–2010), the EU institutions continually reiterated the importance of national social partners’ contribution to the NRP (and, previously, NAP), when they called for a ‘closer involvement in drawing up, implementing and following up the appropriate guidelines’.¹ However, the extent of the involvement of national social partners in the NRP (and the earlier NAP) was different in terms of policy areas and individual Member States. Differences with regard to the level of involvement were partly determined by the question of path dependency: countries with a strong tradition of involving the social partners, embedded in a long-established pattern of relationships between employers, unions and governments, provided more mechanisms for their participation (European Commission, 2009; Ashiagbor, 2005).

Country-specific recommendations

A key element of the European Semester, CSR provide advice to Member States about how to foster growth and employment while keeping sound public finances and cover issues as various as public finances and structural reforms on pensions, wage indexation and youth unemployment. In line with the calendar of the European Semester, in May or June of every year the European Commission, following its assessment of the new NRP submitted by the Member States and its own evaluation of the implementation of CSR, presents its CSR proposals. In July, at a meeting of ECOFIN, and after the European Council’s endorsement of the recommendations, the Council issues the final recommendations ‘without discussion’.

¹ Presidency Conclusions, Lisbon European Council, 23 and 24 March 2000.

As mentioned earlier, the European Commission has the monopoly of initiative in drafting and presenting CSR and can only inform the social partners once the CSR are adopted. The Commission may also enter into discussions with the national social partners on the country reports which form the analytical basis for the Commission proposals. As far as national governments are concerned, they may consult the national social partners once the Commission has presented its draft CSR and before these have been scrutinised and agreed at European Council level. It is worth noting that in many of the final CSR – in fields such as wage-setting, for example – the European Council requests national governments to consult the social partners when implementing the reforms. For instance, the CSR for Belgium and Spain recommended a reform of the wage-setting system in these countries, including wage indexation, in consultation with the social partners. The CSR for Bulgaria included a recommendation to establish transparent guidelines for the adjustment of the statutory minimum wage, in consultation with the social partners.

Eight of the 2015 CSR – for Belgium, Bulgaria, Finland, Italy, Luxembourg, Portugal, Slovenia and Spain – include the recommendation that reforms are to be undertaken either in consultation with the social partners or with respect for the role of the social partners. CSR on wage-setting are particularly delicate, since these mechanisms are the prerogative of the national social partners. According to Bekker:

... the MIP acknowledges potential tensions with the autonomy of Member States and social partners and explicitly refers to Treaty Article 152 TFEU on respecting national practices and institutions for wage formation. Moreover, it claims to take into account Article 28 of the Charter of Fundamental Rights of the EU and respect the right to negotiate, conclude collective agreements or to take collective action.

(Bekker, 2014)

Bekker insists that ‘from a treaty-perspective, issues related to pay are clearly a matter for the autonomy of the Member State and the social partners’ (Bekker, 2014; Costamagna, 2014).

Table 1: Overview of CSR addressed to Member States

Year	CSR	Social CSR*	Member States (MS)
2011	118	54 (45.8%)	all MS, except for EL, IE, LV, PT and RO
2012	138	61 (44.2%)	all MS, except for EL, IE, LV, PT and RO
2013	141	57/67 (40.4%/47.5%)	all MS, except for CY, EL, IE, PT and new entrant HR
2014	157	74 (47.13%)	all MS, except for CY and EL

Note: * 2011, 2012 and 2014 data from Clauwaert (2014). 2013 data from Clauwaert (2014) and Bekker (2015).
Source: *ECOFIN Economic Brief, Issue 37, October 2014*.

As demonstrated in Tables 1 and 2, the number of CSR has progressively increased every year up to 2015: from 118 CSR in 2011 to 157 CSR in 2014. In 2015, the number of CSR issued by the Council dropped for the first time since the beginning of the European Semester – to 103. According to some academics, this is concrete evidence of the influence of the new Juncker Commission, which places more emphasis in these ‘new generation CSR (...) [on] the ‘what’ of reform challenges and outcomes rather than the ‘how’ [of] specific policy measures to meet them’, (Vanhercke and Zeitlin, 2015).

The content of the so-called ‘package’ recommendations (ones often containing several sub-recommendations) were analysed for the years 2011 to 2014 by Clauwaert (2014) and Bekker (2015) in order to estimate how many of them related to the social policy field. The experts calculated that 57 to 67 of the 141 CSR issued in 2013 addressed

employment or social issues.² In 2014, a total of 157 package recommendations were forwarded to 26 Member States in the fields of public finance, financial sector regulation, and structural reforms in areas such as research and development and energy efficiency, as well as in relation to employment and social policies, such as active labour market policies, labour market participation or wage-setting mechanisms (Clauwaert, 2014). Of the 157 CSR issued in 2014, 74 were related to the social policy field. Overall, the number of CSR related to the social policy field stands at 45%–47%.

It should be pointed out, however, that classifying CSR as social, or not, depends to some extent on the methodology applied. For example, Clauwaert (2014) uses a somewhat narrower definition of social policy field and only counts 57 CSR related to employment or social issues, since he does not include policy fields such as healthcare and education (Bekker, 2015). Besides, it is worth mentioning that whether these ‘social’ CSR can be interpreted as resulting in a ‘socialisation of the European Semester’ (Zeitlin and Vanhercke, 2014; Bekker, 2015) is extensively debated among experts (Erne, 2015).

Table 2: CSR 2011–2015 and social partners’ consultation (SPC)*

	2011	SPC	2012	SPC	2013	SPC	2014	SPC	2015	SPC	total CSR	total SPC
AT	5	1	6	0	7	0	5	0	4	0	27	1
BE	6	1	7	1	7	1	6	1	4	1	30	5
BG	7	1	7	0	7	0	6	1	5	1	32	3
CY	7	1	7	1	-	-	-	-	-	-	14	2
CZ	6	0	6	0	7	0	7	0	4	0	30	0
DE	4	0	4	0	4	0	4	0	3	0	19	0
DK	5	0	5	0	3	0	3	0	2	0	18	0
EE	4	0	5	0	5	0	5	0	3	0	22	0
EL	-	-	-	-	-	-	-	-	-	-	0	0
ES	7	1	8	0	9	0	8	0	4	1	36	2
FI	5	1	5	1	5	1	5	0	4	1	24	4
FR	5	1	5	1	6	3	7	1	6	0	29	6
HR	-	-	-	-	-	-	8	1	6	0	14	1
HU	5	0	7	0	7	0	7	0	5	0	31	0
IE	-	-	-	-	-	-	7	0	4	0	11	0
IT	6	1	6	0	6	0	8	0	6	1	32	2
LT	6	0	6	0	6	1	6	1	3	0	27	2
LU	4	1	5	1	6	1	5	1	3	1	23	5
LV	-	-	7	0	7	0	6	1	4	0	24	1
MT	5	1	6	1	5	0	5	0	4	0	25	2
NL	4	0	5	0	4	1	4	1	3	0	20	2
PL	7	0	6	0	7	0	6	0	4	0	30	0
PT	-	-	-	-	-	-	8	1	5	1	13	2
RO	-	-	-	-	8	0	8	1	4	0	20	1

² Clauwaert (2014) uses a narrower definition of social policy field than Bekker (2015).

	2011	SPC	2012	SPC	2013	SPC	2014	SPC	2015	SPC	total CSR	total SPC
SE	3	0	4	0	4	0	4	0	1	0	16	0
SI	6	1	7	1	9	0	8	1	4	1	34	4
SK	6	0	7	0	6	0	6	0	4	0	31	0
UK	5	0	6	0	6	0	6	0	4	0	29	0
Total	118	11	137	7	141	8	158	11	103	8	657	42

Note: CSR to be implemented in consultation with the national social partners.

Source: Based on Clauwaert (2014), Bekker (2015) and authors' calculations drawing on http://ec.europa.eu/europe2020/making-it-happen/country-specific-recommendations/index_en.htm.

As can be seen in Table 2 (authors' calculations), the number of CSR increased steadily in the period 2011–2014: from 118 to 158. As mentioned above, the year 2015 saw the first decline ever (to 103 CSRs), partly as a consequence of the streamlining of the European Semester. Since the inception of the European Semester, a total of 657 CSR have been issued. The Member States receiving the most CSR (more than 30), are Belgium, Bulgaria, the Czech Republic, Hungary, Italy, Poland, Slovenia and Spain. The countries receiving the least CSR (excluding the programme countries and Croatia) are Sweden (16), Denmark (18) and the Netherlands (20).

Only 42 of the 657 CSR (6.4%) contained provisions requesting that the measures recommended should be taken and/or implemented 'in consultation with the social partners'. The Member States for which the CSR recommended a consultation with the social partners most often are France (6), Belgium (5), Luxemburg (5), Slovenia (4) and Finland (4). Other country-specific recommendations of this type were addressed to 12 Member States (Austria, Bulgaria, Cyprus, Croatia, Italy, Lithuania, Latvia, Malta, the Netherlands, Portugal, Romania and Spain). CSR to the following 10 Member States (excluding the programme countries) did not mention the social partners at all: Czech Republic, Denmark, Estonia, Germany, Hungary, Ireland (in the European Semester only since 2014), Poland, Slovakia, Sweden and the UK.

The programme countries (Cyprus and Greece) do not receive CSR, as their compliance with their macroeconomic adjustment programmes is monitored under a separate, more intensive process. Ireland and Portugal received specific recommendations in 2014 once their financial assistance programmes had ended and they became fully integrated into the EU's normal economic governance procedures, including the European Semester. Latvia became fully integrated into the European Semester in 2012, after finishing the aid programme assistance approved in 2009, and Romania followed suit in 2013.

As far as the implementation of the CSR is concerned, the European Council reports that only 12% of the CSR were fully addressed in 2013, compared with an average of 18% in 2011–2012 (Council of the European Union, 2014). According to BUSINESSSEUROPE, only 23% of the 2013 CSR have been assessed by its member federations as being implemented satisfactorily (BUSINESSSEUROPE, 2014a). Conversely, the rate of 'no implementation' rose to 50% in 2013, from 43% in 2011–2012. It is clear that Member States put the greatest effort into addressing CSR related to the financial sector. The 'no implementation' rate of the 2013 CSR related to other areas (public finances, employment and social policies, and structural reforms) averages 50%. With regard to the implementation of CSR across countries, Deroose and Griesse (2014) find that, based on the Commission's synthetic indicator of progress on CSR implementation, the only notable geographical pattern to have a comparatively strong CSR implementation record is that of the Nordic countries (Denmark, Finland and Sweden).

In 2013, the countries that had a CSR implementation record higher than the EU average were the following eleven: Austria, Denmark, Estonia, Finland, Latvia, Lithuania, the Netherlands, Poland, Spain, Sweden and the United Kingdom. There is no assessment yet available on which factors lead some countries to make more progress than others

on implementing CSR. Moreover, it is worth noting that the synthetic indicator used by the Commission does not always match the national stakeholders' perceptions of the impact of CSR on national policy. For instance, while some studies show that CSR appears to have had a high impact in Italy (UGT, 2014), according to the synthetic indicator it has had only a limited impact. Finally, at the high-level conference in Brussels on 5 March 2015 to mark the 30th anniversary of the Val Duchesse initiative and give a fresh impetus to social dialogue – involving the Commission (represented by President Juncker, Vice-President Dombrovskis and Commissioner Thyssen) and leaders from social partners organisations at EU and national level – Mr Dombrovskis drew attention to the fact that there were substantial differences in measuring the implementation of CSR: from 10%–18% (European Parliament) to 40% (European Commission) depending on whether or not the analysis took into account the full implementation (first estimate cited) or both full and partial implementation (latter estimate) of the CSR (European Commission, 2015a). Nevertheless, he acknowledged that, in general, the implementation of the CSR was unsatisfactory.³

European Semester Officers

One of the more recent innovations with regard to the Semester process was the creation in 2012 of European Semester Officers. These are economic policy experts based in the European Commission's Representation offices in Member States whose role is to explain the European Semester and the new economic governance to the various stakeholders at national level. They also gather national information relevant to the European Semester, particularly on the implementation of CSR (EU Semester Alliance, 2014).

According to the Commission, the officers' mission is

*... to get a balanced picture of the challenges that the Member State is facing so that the annual country-specific recommendations will best reflect the realities on the ground.*⁴

The European Semester Officers work in cooperation with all relevant groups across society, including ministries, national, regional and local parliaments, social partners and other interest groups. According to Erne (2015), ETUC has started to provide its affiliates with contact details of the European Semester Officers.

Role of the social partners in the European Semesters 2013–2015

European Semester round 2013

The 2013 European Semester was concluded in July 2013 with the Council adopting the CSR. These built on the enhanced economic policy coordination, and on the implementation of many of the lessons learned from the previous European Semester. According to a Presidency report, several improvements were made to the 2013 European Semester and it was, in general, considered successful. However, the assessment noted that some shortcomings still needed to be addressed regarding its implementation, scope, focus and timing (Eurofound, 2005). In February 2013, the Employment Committee (EMCO) called for a closer and more frequent involvement by the social partners at EU and national level in order to strengthen the social dimension on the basis of the European Employment Strategy. As reflected in

³ Based on the authors' own notes.

⁴ see http://ec.europa.eu/europe2020/who-does-what/eu-institutions/index_en.htm accessed on 21 September, 2015.

discussions in EMCO meetings, while actors are familiar with arrangements in their own countries, there is a lack of reliable information on practices elsewhere which could provide a comparison. The social partners were asked to contribute to the drawing up of the NRP, to their implementation and to the overall communication of the European Employment Strategy in the 2013 Employment Guidelines.

The levels, forms and mechanisms of the involvement of national-level organisations differed widely among Member States and the current mapping exercise aimed to inform policymakers of these differences, enhancing understanding and allowing for mutual learning. As mentioned above, the European Semester is expected to involve national parliaments, social partners, regional authorities and other stakeholders. However, in a position paper published in December 2013 on the Commission's *Communication on strengthening the social dimension of Economic and Monetary Union*, ETUC declared that the involvement of the social partners in the 2013 European Semester process was totally inadequate (ETUC, 2013c). The EU-level cross-sector social partners issued a declaration on social partner involvement in European economic governance in 2013, which summarised their position:

Involving social partners in the elaboration and implementation of policies affecting directly or indirectly employment and labour markets all along the different steps of the European Semester is essential with the view of taking into account their position. Social partner consultations should be timely and meaningful, allowing the necessary analysis and proposals and fitting within decision making processes.

(ETUC, BUSINESSEUROPE, CEEP, UEAPME, 2013).

The declaration concludes with the statement that 'there needs to be a coherent process of consultation of national and/or European social partners by governments at national level, and with the Commission/Council/Parliament at European level'.

European Semester round 2014

The 2014 European Semester began with the adoption of a new AGS in November 2013. The Commission noted that the main challenge then facing Europe's economy was how to sustain the recovery. The focus of the 2014 European Semester therefore was to consolidate the recovery and help Member States make progress on correcting the imbalances that developed before the crisis. The AGS also stated that Member States needed to achieve a greater involvement of national parliaments, social partners and citizens in the process of working out CSR to ensure key reforms are understood and accepted. Furthermore, the Commission urged Member States in the euro zone to devote more time to coordinating major reforms at local level (particularly in labour and product markets) before they are adopted at national level.

On 5 February 2014, the European Parliament requested an opinion by the EESC on the structure and organisation of social dialogue in the context of a genuine EMU. On 2 June 2014, the European Commission published its proposals for that year's CSR, addressed to the Member States on their NRP. With regard to the 2014 CSRs, ETUC again reiterated their opinion on the disengagement of social dialogue from the European Semester process:

Proposals for country-specific recommendations in year 2014 have matured in a situation of poor dialogue with trade unions. In most EU Countries, social dialogue is disconnected from the designing of reform or convergence programmes. It deepens the gap between the policies designed in the EU Semester and the expectations of workers and enterprises. The Joint Declaration of the European Social Partners remains poorly applied.

(ETUC 2014a)

European Semester round 2015

The 2015 round of the European Semester brought about some improvements. The Commission decided to publish the country-specific analysis three months earlier in order to enable a better discussion of the country reports at national

level. According to the Commission, one of the key changes made aimed to increase ownership at national level and to enhance dialogue with the social partners:

By giving more time for dialogue and initiating more intensive outreach at political level, the Commission is keen to support deeper discussion with Member State authorities and social partners on the implementation of past recommendations and potential areas for future recommendations.

(European Commission, 2015d)

EMCO also welcomed this new timeframe, stating that it facilitates ‘an improved interaction with main stakeholders such as the social partners and for a stronger ownership at national level’ (EMCO, 2015).

In July 2015, the President of the Commission, in cooperation with other Presidents of EU institutions – the Euro Summit, the Eurogroup, the European Central Bank and the European Parliament – presented a report (the so-called Five Presidents’ report) calling for a roadmap to consolidate the euro area by early 2017 (Stage 1), as a stepping stone towards more fundamental reforms addressed to completing Economic and Monetary Union (stage 2). As a consequence, the Commission adopted a ‘package’ on October 2015: this consists of a revised approach (a ‘revamp’) to the European Semester as well as a ‘toolbox of economic governance’, including national Competitiveness Boards, an advisory European Fiscal Board, and a more unified representation of the euro area in international financial institutions, especially the IMF. It also specifies the steps towards completing the Banking Union, notably via a European Deposit Insurance Guarantee Scheme and measures to further reduce risk in the banking system.

According to this package, the European Semester will be structured into two successive stages, differentiating more clearly the European stage and the national stage. This coincides with one of the main aims of the Five President’s Report: to streamline the process in order to make it more effective and to enhance the implementation of the CSR. Within this framework, the European Commission aims to strengthen the social dimension of Economic and Monetary Union by putting more emphasis on employment and social performance in the MIP and by fostering social fairness in the countries under macroeconomic adjustment programmes.

In order to complement and reinforce the economic and social dimension and building on what has been achieved so far, the Commission will propose practical improvements to consolidate practices and improve the transparency and thus effectiveness of the existing rules. The Commission also wishes to encourage greater involvement of the social partners in these processes in view of an EU-wide convergence towards best practices. Another part of the revamp strategy aims to increase the involvement of governments, national and European Parliaments and social partners at key stages of the European semester, such as the NRP (European Commission, 2015 b and c). The involvement of the social partners at these critical junctures is the central focus of this study.

Views on the involvement of the social partners in the European Semester 2

Since 2013, the European Commission, the European Parliament, the European Economic and Social Committee (EESC) and the European social partners have assessed, in various communications, position papers or notes, the role that national social partners should play and are in fact playing in the European Semester. Although each stakeholder has raised different concerns related to the new governance and the social partners' role, they all agree that their role should be improved and extended in policy debates and policy implementation. This chapter gives an overview of the most important assessments and statements made by the different actors on this topic over the period.

EU institutions

European Commission

In its 2013 Communication on *Strengthening the social dimension of the Economic and Monetary Union*, the European Commission stresses the importance of the role of social dialogue for the market economy and for representing the two sides of industry at EU and national level (European Commission, 2013a). Social dialogue is an effective policy instrument and leads to increased ownership. However, the Commission also acknowledges that there is scope for improvement regarding the involvement of the social partners in the European Semester while, at the same time, respecting their autonomy as stipulated in the TFEU. The Commission therefore has put forward a two-pronged approach.

First, at EU level, the existing fora should be used in a better way. The Commission takes the view that macroeconomic dialogue and the tripartite social summit are key to involving the EU social partners more closely in the European Semester process. According to the Commission, 'the existing fora have proved their worth [and] new forms of dialogue should only be considered after a shared assessment of their need' (European Commission, 2013a). Second, social dialogue needs to be reinforced. The Commission points to the fact that 'there is a broad consensus among the EU institutions on the need to better involve the social partners [...] in the European Semester process' through making better use of the European social dialogue. In light of this, the Commission proposes to:

- meet the EU social partners before it adopts the Annual Growth Survey, in the framework of the Social Dialogue Committee;
- organise a debate after the Annual Growth Survey with the EU social partners and their national affiliates;
- share the results of these meetings with the Council at the October tripartite social summit;
- add to its *Industrial Relations in Europe* report the joint written opinions from social partners, previously discussed and agreed between the parties;⁵
- organise a debate on the Annual Growth Survey and the Joint Employment Report with the EU social partners and their national affiliates in the Social Dialogue Committee. The opinions received from the social partners will be disseminated as appropriate. This consultation will complement the exchange of views between the Committees (EMCO and SPC) and the European social partners' secretariats, and will therefore help to prepare the tripartite social summit scheduled for March;

⁵ From the AGS 2015 onwards, the opinions are published on the website containing the annual growth survey: http://ec.europa.eu/europe2020/making-it-happen/annual-growth-surveys/index_en.htm

- hold technical preparatory meetings in advance of the March Tripartite Social Summit and other high-level meetings (the March Tripartite social summit will focus on the European Semester and will be prepared by the EPSCO Council);
- develop and streamline thematic strands of dialogue under the EMCO and the SPC Committees;
- encourage Member States to discuss all the reforms linked to the CSR with their national social partners;⁶
- build on its *Industrial Relations in Europe* report and on the work of Eurofound's European Observatory of Working Life (EurWORK) – formerly the European Industrial Relations Observatory;
- continue to promote the monitoring of social dialogue developments throughout the EU.

(European Commission, 2013a; Costamagna, 2014)

In its AGS 2014, adopted in November 2013, the Commission states that Member States need to involve national parliaments, social partners and citizens more in the process of drafting CSR, to ensure that key reforms are understood and accepted.⁷ Furthermore, Member States in the eurozone should devote more time to coordinating major reforms at local level (particularly in labour and product markets) before they are adopted at national level.

In its AGS 2015, adopted in November 2014, the Commission stresses the importance of all strands of society, particularly the social partners, playing a role and proactively supporting the structural reforms. More specifically, it asserts that national social partners should be closely involved in reforms in areas relating to employment protection rules and institutions and wage-setting mechanisms. The AGS 2015 concludes by stating that the Commission will 'make sure that European social partners are better associated to the European Semester process' (European Commission, 2014).

This point was also reiterated by Vice-President Dombrovskis at the high-level event in Brussels on 5 March 2015, who expressed his conviction that in terms of involvement of the social partners 'more can be done at EU and national level.'⁸ The steps already taken, or to be taken, in this direction were outlined by Vice-President Dombrovskis:

- more consultation at EU and national level prior to the AGS;
- EU Semester scheduled for more national social dialogue prior to the adoption of the CSR;
- country reports have been brought forward and merged into one document;
- more direct human contact via closer involvement of the Commission in Member States through the EU Semester Officers in the middle of the process.

⁶ http://europa.eu/rapid/press-release_IP-13-893_en.htm accessed on 20 January 2014.

⁷ http://ec.europa.eu/europe2020/pdf/2014/ags2014_en.pdf

⁸ Workshop A: <http://ec.europa.eu/social/main.jsp?catId=88&langId=en&furtherEvents=yes&eventsId=1028> accessed on 16 September 2015.

Bearing these concerns in mind, Employment Guideline No. 7 – ‘Enhancing the functioning of labour markets’ – of the Europe 2020 integrated guidelines from 5 October 2015 states:

In line with national practices, and in order to improve the functioning and effectiveness of social dialogue at national level, Member States should closely involve national parliaments and social partners in the design and implementation of relevant reforms and policies.

(Council of the European Union, 2015)

European Parliament

The Commission proposals have been warmly welcomed by the European Parliament, which affirmed that ‘high-quality participation by the social partners and strong social dialogue, including at national level, are essential for the success of any reforms, and that in reforms of the EMU in particular, the role of the social partners in the new economic governance process, especially the European Semester, should be reinforced.’

The European Parliament also appealed to the European Council and the Member States to ensure that national and regional parliaments, social partners, public authorities and civil society are ‘closely involved in the implementation and monitoring of policy guidance under the Europe 2020 strategy and its economic governance process, in order to ensure ownership’ (European Parliament, 2014b; Schmid-Drüner, 2015).

At a workshop organised by the European Parliament in Brussels on ‘Current challenges in the field of employment and social affairs at EU level’ in September 2014, participants raised concerns that MEPs have no official contacts with the European social partners regarding the European Semester. To mitigate these shortcomings, the Commission suggested that the EU-level social partners keep in close contact with the Employment and Social Affairs Committee and that national parliaments remain in contact with the social partners regarding the National Reform Programmes (European Parliament, 2015). At the high-level conference on social dialogue in Brussels on 5 March 2015, European Parliament President Martin Schulz affirmed: ‘We also want to see the social partners involved in the implementation and monitoring of the European Semester, the Europe 2020 strategy and its governance process.’⁹

EESC

The European Economic and Social Committee (EESC) has criticised the ‘democratic deficit’ reflected in economic governance that relies on the predominant role that ‘unelected bodies’ play in the governance. According to the EESC, this democratic deficit runs the risk of low ownership of recommendations and drawing hostility to the European project. The Committee therefore proposes to increase the involvement of social partners and civil society in the design of CSR, arguing that ‘a lack of implementation of CSR could be countered by real involvement of civil society and the social partners in drawing up CSR’. Moreover, the EESC is in support of increased involvement of national social partners and civil society in the MIP as this would be an important means of ‘ensuring compliance as well as raising its political profile and ownership at national level’. The point that both horizontal subsidiarity as well as vertical subsidiarity should be taken into account when deciding who is to be involved in the decision-making process is clearly made by Georges Dassis, Rapporteur of the EESC opinion on the ‘Structure and organisation of social dialogue in the context of a genuine Economic and Monetary Union’. When the social partners arrive at common solutions, these often have a better chance of succeeding, because they have more support, and because these solutions are often more realistic (EESC, 2014).

⁹ European Parliament President Martin Schulz, Conference ‘Building a common approach to a new start for social dialogue’, Introductory Remarks by Martin Schulz, President of the European Parliament, <http://ec.europa.eu/social/main.jsp?catId=88&langId=en&furtherEvents=yes&eventsId=1028> accessed on 16 September 2015.

EMCO

The Employment Committee (EMCO)¹⁰ has sketched out its working methods with the social partners in a document which clarifies that EMCO and the European social partners share the four key principles guiding their work: efficiency, quality, timeliness and open, well prepared debates (EMCO, 2015). With regard to the different junctures of the European Semester, EMCO agrees to consult the European social partners at the stages outlined below.

Launch of the European Semester

December/January – between the adoption of the AGS and the EPSCO Spring Council – to debate the content of the AGS and Joint Employment Report and receive views on:

- the draft Council conclusions on the AGS (drafted together with the SPC);
- the Joint Employment Report, sent to the Spring European Council.

Each spring, the EMCO Steering Group will meet the European social partner secretariats to exchange experiences on the European Semester process and to review the working arrangements.

Finalisation of assessment on CSR implementation

May – Both sides of industry will be consulted prior to the finalisation of the draft EMCO ‘horizontal’ opinion to EPSCO on the NRP, and the implementation of the CSR from the previous year. The European social partners will have the opportunity to provide EMCO with an opinion on the relevance and implementation of the CSR. This opinion could be based on the views of their national affiliates, thereby guaranteeing a meaningful influence on the June discussion of the new CSR. The social partners will also be invited to the introductory session for the country review.

June – The EMCO Steering Group will meet with the European social partner secretariats for an initial reaction on the overall direction for the draft CSR. This would not address country-specific issues. The June committee phase is characterised by severe timing constraints, which rule out lengthy consultation. The entire committee phase is conducted over a very limited number of days prior to all the country-specific opinions being sent to the Council. The meeting could therefore be scheduled immediately after the adoption of the Commission’s proposals for CSR, and before the first committee negotiation.

EMCO, through its indicators group, will discuss and take into account the views of the social partners regarding the scoreboard (the EPSCO Council, on 9 December 2013, approved the scoreboard of employment and social indicators). EMCO will now work – with the involvement of the social partners – on improving the scoreboard and refining its operational scope. The social partners will be periodically consulted in developing labour market indicators and updating the EPM. This process will be initiated with a presentation by EMCO of the EPM to European social partner secretariats.

The mid-term review of the Europe 2020 Strategy took place throughout 2014 and 2015. EMCO will involve European social partners in these discussions and establish a procedure with them once the timing becomes clearer. With regard to the March Tripartite Social Summit, the EMCO paper notes that EMCO will draft an independent discussion paper on Semester-related themes and submit this to the EPSCO Council that formally prepares the Tripartite Social Summit. This will happen in consultation with the Council Presidency and following preparatory meetings with the Commission, ETUC and BUSINESSEUROPE.

¹⁰ This chapter draws directly on EMCO 2014.

SPC

In 2015, the Social Protection Committee (SPC) declared that it held a thorough discussion with the social partners and social NGOs on the findings of its multilateral surveillance reviews, which resulted in a ‘constructive and substance-based dialogue on the main directions of social protection reforms. This format can be continued in the future’ (Presidency of the Council of the European Union, 2015).

EPSCO

In a steering note from 2013, the Council of the European Union identified the involvement of the social partners in the European Semester as being a main political challenge and stated that this involvement should include prior discussion of major policy reforms at national level (Council of the European Union, 2013). The recent position of the Council of Ministers of Labour and Social Policy (EPSCO) was summarised in a background note of the Latvian Presidency of the European Union, tabled at Riga on 21 and 22 April 2015 (Latvian Presidency of the European Union, 2015). Acknowledging the improved involvement of the social partners in the European Semester through better consultation prior to the publication of the Annual Growth Survey and the closer dialogue with the EMCO and the SPC, the Presidency document further stated:

EPSCO has discussed the involvement of [the] social partners and endorsed EMCO guidelines in this respect to be followed by SPC as well. Started under the Italian Presidency, the European social partners participate directly in discussions at the informal meetings of the employment and social affairs ministers. The European social partners have welcomed this recent practice and the dialogue with EMCO and SPC as the preparatory committees for the Council (EPSCO).

(Latvian Presidency of the European Union, 2015)

European social partners

The EU-level social partners are convinced that ‘there needs to be a coherent process of consultation of national and/or European social partners by Governments at national level, and with the Commission/Council/Parliament at European level’ – Principle 10, Joint declaration of 24 October 2013 (ETUC, BUSINESSEUROPE, CEEP, UEAPME, 2013). Clearly, the issue of the involvement of the national social partners in the European Semester is important to European institutions and to the European social partners. Moreover, given that the form and degree of this involvement can vary between countries according to the different traditions of social partner involvement in policy process, it is crucial to map, analyse and assess the role of the national social partners in the European Semester in order to improve involvement at European and national level. The next section will set out the views and proposals made by the EU institutions, the social partners, academic experts and NGOs.

Proposals for improved involvement in the European Semester

In their joint declaration, the cross-sector European social partners (ETUC, BUSINESSEUROPE, CEEP and UEAPME) tabled a number of proposals on how better to involve management and labour in the different steps and junctures of the European Semester, which are outlined in this section.

Annual Growth Survey

The European social partners stress the necessity to pursue the consultations on the AGS and have requested the Commission and the Council to annex their views to the document.

National Reform Programmes

The European social partners have asked the Commission and Council to ensure that national governments adequately consult the national social partners in a balanced way when drawing up their NAP.

Country-specific recommendations

The consultation of the social partners on country-specific recommendations (CSR) should happen in two stages: first at national and then at EU level. The national social partners must be consulted in a timely manner during the Commission's preparations of the CSR. Furthermore, based on the views of their members, the European social partners should then comment at EU level on the overall direction to be given to the CSR via discussions between the European social partners and the relevant Council and Commission committees.

Macroeconomic imbalance procedure

The national social partners should be involved in the macroeconomic imbalance procedure (MIP) in order to comment on the in-depth country reviews.

Labour market indicators

European and national social partners have so far not been consulted on the continuing development of a set of labour market indicators by the EPSCO Council and DG Employment. In keeping with the spirit of Articles 153 and 154 of the TFEU, European social partners should be informed about this work and consulted in this process.

Social partner consultation through existing structures/mechanisms for bi-and tripartite dialogue

The European social partners are convinced that the use of existing structures in the following way, including where relevant some improvements in terms of mission and/or format, will enable them to contribute effectively to the EU economic governance processes.

Social dialogue committee

Social Dialogue Committee meetings should be attended by the Director-General of DG Employment, Social Affairs and Inclusion and when macroeconomic aspects are discussed by the Director General of DG ECOFIN. A session only attended by employers and trade unions will be considered in the future before tripartite exchanges with the European Commission.

Employment, Social Policy, Health and Consumer Affairs Council (EPSCO) / Employment Committee (EMCO) / Social Protection Committee (SPC)

A declaration by the European social partners ETUC, BUSINESSEUROPE, CEEP and UEAPME in 2013 set out how much they welcome the practice of being invited to meet the troika of the EU during informal EPSCO Councils and the dialogue which has developed with the Employment Committee and the Social Protection Committee. However, it added:

It is important to ensure that when social partners are invited to address the Employment Committee and the Social Protection Committee the agenda allows for a real discussion with them. Moreover, inviting the European social partners during formal EPSCO meetings should also be considered.

(ETUC, BUSINESSEUROPE, CEEP, UEAPME, 2013)

European cross-industry employers

In their contribution to the Annual Growth Survey 2015, the European cross-industry employers (UEAPME, BUSINESSEUROPE and CEEP) voiced their concern that the consultation document did not sufficiently take into account the interests and needs of enterprises and that there was not sufficient time for organisations to consult their members.

In the consultation process with the European social partners, the existing open methods of coordination on employment and on social protection and inclusion need to be reinforced and better integrated into the European Semester process. Finally, the European cross-industry employers welcomed the progress made in involving the EU social partners in the work of the Council's Employment Committee. A similar approach was now needed in the Social Protection Committee. Furthermore the involvement of national social partners should be strengthened notably on the development and implementation of CSRs and National Reform Programmes.

(UEAPME, BUSINESSEUROPE, CEEP, 2014).

ETUC

In a statement regarding the Commission Communication on the social dimension of EMU, ETUC said it would welcome a stronger involvement of the social partners at both EU and national level in the definition and implementation of the European Semester (ETUC, 2013d). While acknowledging that progress had been made in the previous two years, with European social partners being consulted prior to the publication of the AGS, ETUC argued that this consultation does not relate to the AGS priorities or analysis as such, consisting mostly of discussions on labour market issues.

Furthermore, in their position on the European Commission communication on 'Strengthening the social dimension of Economic and Monetary Union' (ETUC, 2013c), ETUC also welcomed the improved dialogue with the Employment Committee (EMCO) and the Social Protection Committee, while declaring that the national social partners' involvement in the European Semester remained wholly inadequate. In their view, Member States should consult the national social partners in a timely and effective manner in the preparation of their National Reform Programmes and Job Plans and the Commission should monitor this and ensure that it is happening. If requested, the views of the social partners should be annexed to the NRP and, in the event that a common position does not exist, both opinions should be included. ETUC further expressed the opinion that the Commission should also meet with the social partners, jointly or separately, during country visits to discuss the forthcoming country-specific recommendations. Finally, ETUC affirmed that the macroeconomic dialogue (MED) and the Tripartite Social Summit (TSS) needed to be improved and suggested the Social Dialogue Committee could be used as a means to improve the social partners' involvement in the European Semester (ETUC, 2013c).

In its assessment of the 2013 Europe 2020 strategy, following a survey organised among its affiliates on the degree of their involvement in the European Semester process at national level, ETUC reported that one group of affiliates was happy with the level of involvement, feeling that they were consulted as much as during a regular consultation procedure; a second group, invited by their government to discuss the Europe 2020 Strategy implementation, felt that there was no change to policy documents of their respective governments as a result and that therefore there was a need for greater involvement in the process; a third group was dissatisfied with their level of involvement, being either not invited at all to discuss the process or just given information about it.

To this list of affiliates who are not invited by their governments have to be added the Member States under the Troika regime which are not part of the European Semester/Europe 2020 process. The National Reform Programmes and the Country Specific Recommendations were adopted without the proper involvement of the social partners.

(ETUC, 2013b).

Following the results of this survey, the ETUC demanded that the national and European social partners would be fully involved in the Europe 2020 process – and that trade union suggestions would be taken into account (ETUC, 2013b).

In a 2014 report, the Spanish trade union UGT also argued in favour of a greater involvement on the part of national social partners in the shaping and implementation of the NRP:

The national consultation with the social partners plays an important role, especially during the adoption of national reform programmes and the implementation of specific recommendations for each country. There are manifestations of blocking and weakening of the financial participation of the social partners in the development of economic and social policy reform for the labour markets and social protection instruments under the EEG.

(UGT, 2014)

High-level conference on social dialogue

The new European Commission under President Jean-Claude Juncker is committed to re-launching social dialogue and a first step was taken with the organisation of the high-level conference in Brussels on 5 March 2015. The aim of the conference was to discuss concrete ways to strengthen social dialogue with EU cross-industry social partners and their national affiliates (Welz, 2015). Workshop A at the conference dealt, in particular, with ‘Improving social partners’ involvement in the European Semester’. A quite critical picture of the involvement of the social partners in the European Semester was depicted by Kurt Beck, Executive Secretary of the German Trade Union Confederation (DGB), who argued that the current way of involving the social partners does not give them effective influence:

Consultations must respect the autonomy and positions of all parties; the trade unions’ role is not to implement the Commission’s policies. A real discussion and agreement on the objectives is necessary first. European social dialogue is only worthwhile if it produces results that make a difference on the ground rather than just producing more paper.

(European Commission, 2015a)

In a similar vein, Tadeusz Chwałka, President of Poland’s Forum of Trade Unions (FZZ), expressed the view that the involvement of social partners in the European Semester is inadequate in some Member States, for example, Poland.

Very short deadlines for reaction are a matter of concern. The key is to involve social partners in the preparation of National Reform Programmes. Country Specific Recommendations should be consulted with social partners as well. The deepening of the Economic and Monetary Union has to go hand in hand.

(European Commission, 2015a)

At the same conference, Bernadette Ségol, General Secretary of ETUC, pointed out that social dialogue should not only be used as an instrument to put the EU Semester into practice and raised the question as to whether there should also be CSR on the quality of social dialogue.

During the course of Workshop A, Peter Clever, a member of the Executive Board of the Confederation of German Employers (BDA), insisted on the need for trust and responsibility for a strong social partnership. With regard to the content of the CSR, he stressed the need for ambitious recommendations that focus on competitiveness. Mr Clever also argued that serious talks between EU and national level were needed during the entire Semester and that the whole process had to become more extensive, since currently only 10% of CSR were implemented properly.

During the discussions, both sides of industry concurred on the following points:

- the Commission needs to address the capacity of social partner organisations to contribute to the European Semester;
- a clear distinction needs to be made between broader civil dialogue and social dialogue;
- the involvement of the social partners in the European Semester should be organised along the principles agreed in the joint EU social partner declaration on involvement in European economic governance.

Academic experts and NGOs

Many scholars draw attention to the inherent tension between the new European economic governance, including the Semester, and the widely accepted autonomy of the social partners (Koll, 2013; Bekker, 2015; Costamagna, 2014; Erne, 2015). Some experts support the Commission's view that a better involvement of the social partners in the European Semester should build on existing fora. Others, such as Koll, argue in favour of a macroeconomic dialogue at national and euro zone levels in addition to the existing macroeconomic dialogue at EU level.

The organisation of these dialogues could build on existing bodies and approaches and would not involve any additional bureaucracy. Both bodies would need to be adapted to the prevailing situation in the Member States in terms of their goals, their programme and their composition or design, to enable them to meet the increased demands on economic policy governance in an economic and monetary union.

(Koll, 2013)

However, such a position is not shared by BUSINESSEUROPE (Eurofound, 2005).

Costamagna goes much further and proposes to strengthen European economic governance via steering mechanisms which go to the core of Member States' social systems. He argues in favour of a 'deep reconfiguration' of the role and status of the European social dimension in order to re-establish the balance between the 'economic' and the 'social' at supranational level:

This step, which might entail a strengthening of EU social competences and financial capabilities, is as challenging as it is necessary to safeguard the social identity of the integration process and, ultimately, its very raison d'être.

(Costamagna, 2014)

Some other reports such as the OPTEM (2007) study, commissioned by the European Commission, found that trade unions were more divided than employers about the benefits of the European Employment Strategy. This stemmed from the perception that trade unions had less influence than employers on the general thrust of the strategy. Several respondents expressed regret that they had a mere consultative role and that governments had not always been forthcoming with information.

The EU Semester Alliance is much more critical with regard to the progress achieved in terms of involving the social partners and civil society more in the European Semester, pointing to the contradiction between principles and practice:

There is lip service given to the importance of social dialogue, but the reality is that employment and social affairs Ministries/DGs are typically overseeing cuts in staff and are pulling back from full commitment to social dialogue procedures. Some of the CSRs proposed by the European Commission also try to go directly over the heads of national social dialogue in pushing for reform of collective agreements. At European level there is some social dialogue in preparation of the AGS, but the process does not yet have impact.

(EU Semester Alliance, 2014).

However, in the view of the EU Semester Alliance, the main avenue for the important participation of civil society organisations should be the development of the National Reform Programmes at national level. And in this respect, the structures to enable this kind of participation in decision-making are lacking: NRPs are typically drafted by civil servants for submission to the Commission without meaningful consultation having taken place. Consequently, those NGOs that have made real efforts to engage with the process have generally been disappointed by the lack of opportunities for meaningful engagement. Where consultation has taken place, it has tended to be an information exercise rather than a real commitment to engage in interactive and constructive dialogue with a view to influencing policy proposals.

Erne (2015) is sceptical that a greater involvement of the social partners in the management of the new European governance system will alter the balance of power in favour of organised labour. Rocha et al (2014) argue that in order for the EU to regain the trust and support of the European citizens, the reformulation of the European economic governance should be based on a 'further democratization of the economic policy-making, taking into account the role of the social dialogue — and hence the involvement of the social partners as a centerpiece of the management of anti-crisis policies, at European and national level.'

Schellinger calls for more regular joint meetings of the ECOFIN and EPSCO Councils, and the placing of the Council working groups of the EPSCO on an equal footing with regard to recommendations on national labour market and social policies. The author also pleads in favour of a stronger role for DG Employment when it comes to the preparation of CSR (Schellinger, 2015).

Finally, Vanhercke and Zeitlin concede that the streamlining of the European Semester has succeeded in fostering national 'ownership' in the process. However, the European Commission's impetus to hold Member States accountable for the implementation of the CSR has resulted in a number of CSR being overly prescriptive. According to the authors, a solution to this dilemma might be to leave sufficient political space for Member States to find their own contextually appropriate pathway to major reforms and to conduct the review process with more deliberation (Vanhercke and Zeitlin, 2015).

Assessment of the involvement of 3 the national social partners

This chapter presents the outcomes of the research into the involvement of the national social partners in the European Semester. More specifically, the study analyses and assesses the role of the national social partners in the European Semester at two critical junctures: the National Reform Programmes and the country-specific recommendations, with a special focus on employment and social policy issues. For the purpose of this study, involvement is understood in a broad sense, to include information and consultation practices between peak-level social partners and governments. Thus, it includes contacts between the government and the social partners, irrespective of the degree of institutionalisation and of the outcomes – even if these processes did not lead to agreements or common positions – as well as any communication practices which did not require feedback from the social partners. However, this report analyses only the direct involvement of the national social partners and not their indirect involvement via the EU-level social partners, such as BUSINESSEUROPE and ETUC. It also analyses the different degrees of institutionalisation, as well as the potential impact that social dialogue may have on the decision-making and implementation of employment and social policy matters in the framework of the European Semester.

The information presented was collected through a structured questionnaire sent to Eurofound’s network of European correspondents. The 28 national correspondents were asked to describe the specific forms of social partner involvement at national level (such as the tripartite standing committee, tripartite ad-hoc committee, and separate meetings) and the source and form of these rights, if any. They were also asked about factors related to the degree of institutionalisation of the social partners’ involvement – such as frequency and the time allotted to this – and the degree of impact of the involvement on the content. In addition, information regarding the social partners’ perceptions of the European Semester procedure and content was also gathered. The period covered was 2011 to 2014.

Table 3: Timeframe for national social partner involvement in European Semester

	November/ December	January	February	March	April	May	June	July
Lead institution	Commission		MS			Commission	MS	Council
Key document	AGS		Country reports		NRP		CSR proposals	
SP participation	Before/ during	After	Before	After	Before	After	During discussions	
Elaboration								
Information								
Consultation								

■ *time for involvement* ■ *no involvement possible*

The European Semester cycle has a short timeframe, during which key policy documents in several formats are drafted, discussed at various levels, reviewed by EU leaders and adopted. In this complex procedure, the margin for information, consultation or just sharing the relevant aspects is extremely limited. Some of the national social partners complain that they are not able to participate fully in the Semester due to the lack of time allocated to discussing the documents, while governments use the same reasons to argue in favour of applying rapid procedures. Nevertheless, as Table 3 shows, there is time to involve the social partners at national level before, during and after the adoption of the Annual Growth Survey, country reports and National Reform Programmes. Involvement of the national social partners through the implementation and monitoring of NRP and CSR could be feasible too, especially during the ‘national semester’ time slot.

As indicated above, the involvement of the EU-level social partners takes place at the beginning of the European Semester time span, during the production of the Annual Growth Survey. According to the research, the EU social partners are more involved with regard to the country reports and the discussions in the EMCO, the SPC and the informal EPSCO, as well as during the discussion of the employment guidelines and the policy orientations. Although Table 3 only gives a rough indication, it does illustrate the possibility of a sufficient margin of manoeuvre for all the actors involved in order to improve the efficiency of the process and the content of the social governance of the Semester.

This chapter presents information on the source and form of the involvement of social partners in the European Semester at Member State level, then analyses the involvement of national social partners in the NRP and CSR. Finally, the national social partners' assessment of the European Semester as a governance process is examined.

Source and form of social partners' right to be involved in the European Semester

The involvement of the national social partners can have different sources. It may be guaranteed by law. In these cases, it may take place by means of councils or tripartite advisory bodies, which meet regularly and discuss government policies. However, social dialogue may also be more institutionalised due to tradition. Bearing this in mind, the study's authors were interested in investigating the various forms of social partners' involvement in the European Semester, as well as analysing whether pre-existing or new social partners' structures were used, and whether the social partners' involvement in the Semester process was similar to other forms of involvement in national social dialogue.

In 23 Member States, there are no specific provisions regulating the involvement of the social partners in the European Semester. In most cases, previously established social dialogue structures (such as social and economic committees or councils) or other institutional frameworks are used. However, the fact that the social partners' involvement in the European Semester is developed within already established social dialogue structures and institutional frameworks does not mean that the process is similar to other national social dialogue processes. On the contrary, the national reports from most of these countries indicate that social dialogue related to the European Semester is more limited, less important and, on occasions, less formal and regular. The national report for Belgium contrasts the formal and regular social dialogue taking place at national level with the mainly informal involvement of the social partners in the European Semester. In Germany, fewer and less diverse topics are discussed under the European Semester than under the national social dialogue. In Italy, the national report suggests that the involvement in the European Semester process is weaker than for other forms of social dialogue, because the governments act on the basis of the commitments and institutional arrangements agreed with the EU institutions and that, therefore, there is little room to discuss these policies. On the other hand, it is worth noting that in Spain, the trade unions state that social dialogue related to the Lisbon Strategy was formalised in a protocol and is therefore highly institutionalised. However, this protocol ended once the European Semester started. Due to this, their involvement has become less formal and institutionalised.

This study has identified six countries (Bulgaria, Denmark, Finland, France, Poland, and Sweden) which approved specific provisions, rules and/or memoranda establishing formal structures for consultation between social partners and governments on matters associated with the Europe 2020 strategy – or its predecessor, the Lisbon Strategy. These are outlined below.

Special social dialogue structures for the European Semester / Europe 2020

Bulgaria → 'Europe 2020' working group

Denmark → Contact Committee for Europe 2020

Finland → procedure for coordinating EU affairs (Constitution – 731/1999)

France → Committee on Social Dialogue in European and International Affairs

Poland → Inter-ministerial Committee for Europe 2020 Strategy

Sweden → formal structure for consultation matters regarding the Europe 2020 Strategy

In Bulgaria, the preparation and implementation of the NRP is carried out in the framework of a special working group called ‘Europe 2020’, established under the Ordinance of the Council of Ministries 85/2007. Representatives from the government and social partners are involved in this group. In Denmark, the Contact Committee for the Europe 2020 Strategy is the focal point for national actions around the Europe 2020 Strategy and the European Semester. The Committee was set up in 2001 following the adoption of the Lisbon strategy and consists of approximately 30 regional and local authorities and a wide range of organisations (including the social partners and regional and local authorities). The committee is an important forum for dialogue between decision-makers and interest organisations on the European growth and employment agenda and plays a pivotal role in creating consensus on Danish priorities (Danish Government, 2015).

In Finland, the European economic governance process follows the general procedure for coordinating EU affairs, established under the Constitution’s provisions on competence in the area of foreign policy (731/1999). However, since some stages of the Economic Semester (such as the NRP) are based on the government’s structural policy programme, the main practical way in which the social partners can influence the European Semester is positioned within the framework of general policy-making. In France, the social partners are consulted in the Committee on Social Dialogue in European and International Affairs (CDSEI), which is under the authority of the Ministry of Employment. Created in 1998 by the French Government within the framework of the European Employment Strategy (EES), this tripartite committee comprises representatives of the Ministries in charge of Labour, Economy and External Affairs, and representatives of the employer and employee organisations.

In Poland, the specific body for social partner consultation in the course of the European Semester (on National Reform Programmes and country-specific recommendations) is the Inter-ministerial Committee for Europe 2020 Strategy-related Issues (*Międzyresortowy Zespół do Spraw Strategii, Europa 2020*). Established by a Decision of the Prime Minister in 2012, this body replaces the former Inter-ministerial Committee for Implementation of the Lisbon Strategy in Poland and involves the participation of all seven national-level representative social partners. In Sweden, a memorandum issued by the Prime Minister’s Office establishes the formal structure for consultation between social partners and the government on matters associated with the Europe 2020 strategy (Government Offices of Sweden, 2013).

Many national social dialogue processes are based on custom and tradition, as well as being embedded in pre-established tripartite bodies such as Economic Committees/Councils (as, for example, in the Netherlands). For this reason, it is often difficult to separate the involvement of social partners in the EU Semester process from other processes of national social dialogue.

National Reform Programmes

In the majority of Member States (22), the national social partners were involved to some extent in the definition and/or implementation of the NRP: Austria, Belgium, Bulgaria, Cyprus (definition only) Czech Republic, Germany, Denmark, Estonia, Spain (definition only), Finland, France (definition only), Italy, Lithuania, Luxembourg (definition only) Latvia, Malta, the Netherlands, Poland, Sweden, Slovakia, Slovenia, and UK. In contrast, social partners in Croatia, Hungary

and Romania do not play a role in the definition or implementation of NRP. However, in Croatia, while the social partners were not directly involved in the definition of NRP, they were consulted on various documents, acts and/or legal regulation that form part of the NRP, such as the Draft Proposal of the Act on Job Retention Aid, or the Youth Guarantee Implementation Plan (YGIP).

The cases of Greece, Ireland and Portugal merit particular attention. These countries were exempt from the monitoring and assessment procedure of the European Semester while they were part of the macroeconomic adjustment programme, under the so-called Troika Memoranda. In these countries, the macroeconomic adjustment programme – with its strict economic policy conditions – replaced the NRP. During this process, these countries were subject to intense monitoring by the Commission and the ECB. Therefore, it is not possible to compare the involvement of the national social partners under this process with the involvement of the social partners in the other countries subjected to the regular European Semester.

In 2014, Portugal and Ireland presented their NRP after their financial assistance programmes ended. In Ireland, the social partner organisations were invited to contribute their views at various points throughout the process through bilateral exchange and written consultation. In Portugal, the Economic and Social Council was asked by the government to provide a written statement about the NRP, with, however, a time limit of only two weeks to assess it.

Spain is a case apart. This country received aid plans specifically aimed at recapitalising its banks and it was subject to the European Semester procedure. Cyprus, which also received aid plans designed to recapitalise the banks, has continued to submit NRP but has been exempted from the CSR. Differences can also be observed with respect to the programmes of financial assistance applied in Hungary, Lithuania and Romania. These three countries, which are not members of the euro zone, faced significant difficulties regarding the balance of payments from autumn 2008. To help these countries, the EU reinforced their Balance of Payments Facility to the amount of €50 billion. This meant that these three countries were not exempt from submitting National Reform Programmes. Latvia was also in receipt of an EU financial assistance programme, after the ECOFIN Council decided on 20 January 2009 to provide a balance of payments assistance of up to €3.1 billion. A Memorandum of Understanding and a Loan Agreement, setting out the fiscal, financial sector and structural reform conditions attached to this assistance, was signed on 26 January 2009. This programme finished in 2011 and Latvia became fully integrated into the European Semester in 2012.

Table 4: Involvement of the social partners in National Reform Programmes (NRP) across Member States

Member States in which the social partners were involved in the definition or implementation of NRP	AT, BE, BG, CY (def.) CZ, DE, DK EE, ES (def.), FI, FR (def.), IT, LT, LU (def.) LV, MT, NL, PL, SE, SI, SK and UK
Member States with no social partner involvement at all	HR, HU, RO
Member States in which Macroeconomic Adjustment Programmes replaced NRP	GR, IE (2011, 2012 and 2013) and PT (2011, 2012 and 2013)

Source: Authors' own analysis based on country reports from Eurofound's network of European correspondents in the 28 EU Member States. def.= definition

In most Member States where the national social partners are involved in the definition of the NRP, the initiative of involving them came from the government. In countries such as Denmark, Spain and Sweden, the social partners called for greater involvement. In Denmark, the social partners sent a joint letter to the Foreign Ministry, the body in charge of coordinating the European Semester, in February 2014. In the letter, the social partners acknowledged their presence in the Contact Committee but said they wished to have further discussions with a specific focus on employment and social policies. With regard to the NRP, they pointed out that there was a need to describe better how the reforms were implemented, including the role and initiatives of the regional and local authorities as well as of the social partners.

In Spain, the government's initial intention was to limit their involvement to a written consultation. Thus, in 2013, the social partners received a letter requesting them to forward their proposals on the NRP to the government. However, in 2014, the trade unions rejected the idea of sending their proposals by letter, unless the government called a meeting. Consequently, the government organised a tripartite meeting in which it informed the two sides of the social partners about the general content of the NRP.

In Sweden, consultative meetings have been held between the government and the social partners on matters associated with the Europe 2020 strategy since autumn 2011. According to the research, prior to 2013 these meetings were rather ad hoc and without any formal arrangements. However, the social partners participating said they wished to have greater consultation and formal structures for these meetings with the government. Their initiative to establish clearer arrangements was taken on board in 2012, and in August 2013 the Prime Minister's Office issued a memorandum clarifying the form and content of the consultation meetings.

Specific forms of social partner involvement

The specific forms of national social partner's involvement are summarised in Table 5. A total of 19 Member States held tripartite meetings, whether within already established tripartite bodies such as Economic and Social Committees (Czech Republic, the Netherlands and Slovakia), within tripartite ad-hoc committees (Spain, Italy and the UK) or within specific bodies created either in the context of the Europe 2020 Strategy (Bulgaria and Denmark) or another, earlier process such as the European Employment Strategy (France). In other countries (Germany, Estonia, Italy and Luxembourg), separate meetings with trade unions and employers were held. In Italy, separate meetings with trade unions and employers were held when industrial relations issues, likely to provoke adverse reactions from the social partners, were at stake. This was the case, for instance, for the negotiations concerning the recently adopted labour market reform (Law 10 December 2014, No. 183, the 'Jobs Act'), conducted separately for employers' organisations (in favour of the new provisions) and trade unions (against the new provisions). Something similar happened in Luxembourg. Here, the crisis made consensus-based negotiations at the tripartite level more difficult and, in 2014 and 2015, the government also organised bi-partite meetings with agreements either with the employers or the trade unions. These meetings did not directly address Luxembourg's NRP, but they contributed to the implementation of policies in the context of EU2020 objectives.

Finally, most of the countries combine the meetings with some form of written consultation. Only in Lithuania is written consultations the main form of involvement. However, the low activity of the social partners in submitting their comments on the draft versions of the NRP in 2011–2014 encouraged the government to initiate face-to-face discussions in March 2015. As mentioned above, written consultation in Spain was the only form of involvement up to 2014.

Table 5: Specific forms of social partner involvement in National Reform Programmes (n=22)

Tripartite meetings			Other forms of involvement	
Standard tripartite body	Specific 'European committee'	Tripartite ad-hoc committees/meetings	Separate meetings with TU/EO	Only written consultation
CZ, LU, MT, NL, SI, SK	BG, DK, FI, FR, PL, SE	AT, BE, CY, ES (since 2014), IT, LV, UK	DE, EE, IT, LU	ES (up to 2014), LT

Source: Authors' own analysis based on country reports from Eurofound's network of European correspondents in the EU28 (22 responses received).

Beyond the specific forms of information and consultation, the study has tried to collect information on the degree of institutionalisation of the social partners' involvement in the European Semester: the frequency and regularity of the involvement, the time allotted to the information and consultation and the balance of consultation between trade unions and employer organisations. It has also gathered information on the impact of the social partners' involvement: the extent to which social partners' views are taken into consideration by the national governments when drawing up their National Reform Programmes.

Degree of institutionalisation

The degree of institutionalisation of social partners’ involvement in the NRP is measured according to three factors: frequency and regularity of the involvement, time allotted to the information and consultation and degree of balance of the consultation between trade unions and employer organisations (see Table 6).

With regard to the first factor – the frequency and regularity of the involvement – it is worth noting that in seven Member States (Cyprus, Czech Republic, Finland, Italy, Luxembourg, Spain, and the UK), the involvement of the social partners has not been either regular or predictable. In countries such as Italy, this involvement has been subject to political will – consequently, in some years, the social partners were not involved. In other countries (the UK and, to a lesser extent, Spain), ad-hoc meetings were held annually and the involvement of the social partners was limited to mere information sessions with no real consultation. In contrast, in Finland, the lack of regularity of the involvement does not mean a low degree of information and consultation. Although in this country the social partners do not have an active role in the definition phase of the NRP, they do play a prominent role in the economic, employment and social policy arena, which is the basis for the NRP. Therefore, the general view among the Finnish social partners is that they are being consulted on a regular basis on issues that relate to the NRP.

In 15 Member States – Austria, Belgium, Bulgaria, Denmark, Estonia, France, Germany, Latvia, Lithuania, Malta, the Netherlands, Poland, Slovakia, Slovenia and Sweden – the involvement of the social partners is found to be regular and predictable.

Table 6: Involvement of the social partners in National Reform Programmes (n=22)

Frequency of consultation		Time allotted to I&C (social partner perceptions) and number of meetings				Balance of consultation (n=21)	
Regular and predictable	Irregular/ ad hoc	Enough time for I&C	Insufficient time for I&C	Only one meeting	More than one meeting	On an equal footing	Unbalanced
AT, BE, BG, DE, DK, EE, FR, LT, LV, MT, NL, PL, SE (since 2013), SI and SK	CY, CZ, ES, FI, IT, LU, UK	AT, BE, CY, CZ, DE (EO), DK, EE, FI, LT, MT, NL, PL SE, SK, UK	BG, DE (TU) ES, FR, IT, LU, LV, SI,	BG, DE, ES, FI, FR, LU, LV, MT, NL, SI, UK	AT, BE, CY, CZ, DK, EE, IT, LT, PL, SE, SK	AT, BE, CZ, DE, DK, EE, ES, FI, FR, IT, LT, LU, LV, MT, NL, PL, SE, SI, SK, UK	BG, CY,

Source: Authors’ own analysis based on country reports from Eurofound’s network of European correspondents in the EU28 (22 responses received).

TU= Trade unions; EO= Employer organisations

With regard to the number of meetings, there are important variations between countries. In a group consisting of 11 Member States (Bulgaria, Finland, France, Germany, Latvia, Luxembourg, Malta, the Netherlands, Slovenia, Spain and the UK), only one meeting of about half a day or less was held. Another group, also of 11 countries (Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, Italy, Lithuania, Poland, Slovenia, Sweden), held consultation processes (including time to make comments) of up to a month. Bearing this in mind, it is worth noting that the trade unions in Bulgaria and Germany and the social partners in France, Italy, Latvia, Luxembourg, Slovenia and Spain consider that the time allocated to information and consultation is not sufficient.

In Germany, the BDA stated that a one-day meeting, as well as the time allotted for comments on the NRP (one week in 2015) was sufficient. However, the trade union confederation DGB criticised the time frame allowed for drawing up their comments. According to the DGB, the 2014 draft NRP was received on 23 February and the confederation was expected to submit comments by 3 March. The DGB argued that this was too short for any internal debate on the policy content of the NRP. The DGB also said that no meeting had been held in 2015.

Opinions on the time allotted for consultation also depend on the importance of the NRP in the national context. The governments of Finland, Malta, the Netherlands and the United Kingdom organised meetings of only one day – and just half a day the case of France – to discuss the NRP. Yet in the UK, the NRP does not contain new policy orientations and, in Finland, some social partners consider the NRP process as being less important than other national social policy processes. In Malta, the trade unions' views on important policy fields, such as pensions, had been taken into consideration by the government already and, therefore, were not included in the NRP. For this reason, trade unions considered the time given over to discuss NRP as sufficient. This situation also applies, to some extent, to the Netherlands.

In contrast, in Spain, where the NRP was an important tool for introducing controversial structural reforms recommended by the European institutions (such as a collective bargaining system, and pension reforms), the social partners, especially the trade unions, complained about the lack of time for discussion as they received the NRP on the same day that it was submitted to the European Commission. Moreover, the trade unions made the comment that, from 2011 to 2014, they were informed only on the general content of the NRP. In France, the social partners also criticised the time allotted to information and consultation as being insufficient. In addition, they commented that there was no real exchange of information, due to the fact that most of the time the documents were transmitted at the last minute and were only available in English. Although some improvements have been made during the last two years in France, the social partners still consider that consultations for the process of defining and adopting the national NRP are held too late.

Procedural good practice: The case of Belgium

An example of procedural good practice regarding the time allotted to consultation is Belgium. In Belgium, the number of meetings varies according to the requests of the social partners and the NRP calendar. Usually, meetings are held twice a year. At first, in autumn, a specific unit of the Prime Minister's office invites the social partners to contribute to writing the NRP. This is not a formal request but it allows the social partners to intervene during the first stage of drafting the NRP. When the NRP is nearly finished, it is submitted to the social partners in order to collect their views and at this point a new meeting is organised. Hence, the two sides of industry consider that they have enough time to analyse and contribute to the production of the NRP. This finding is also stressed in the 2014 EU Alliance Report on the European Semester (2014), where Belgium was identified as one of the few countries in which social partners were visible at the juncture of the NRP.

The balance of the consultation between trade unions and employer organisations is also crucial for the degree of institutionalisation. Institutionalised social dialogue presupposes that trade unions and employer organisations are involved on an equal footing. In almost all the countries, trade unions and employers report being involved on an equal footing, or mostly on an equal footing. The exception to this is Bulgaria – and also to some extent Cyprus – where the trade unions consider that their voice is not heard sufficiently. In Latvia and Slovenia, although the social partners are consulted in a balanced way, their capacity to make proposals differs. In Latvia, the trade unions recognise that their capacity is insufficient, and also the employer organisation would like to improve its capacity to deal with strategic issues, such as the NRP. In Slovenia, only the biggest trade unions (ZSSS and KSJS) have enough resources for a detailed analysis of the documents. On the other hand, the employers' organisations (especially GSZ and OPZS) seem to be more involved, as their interest domains are wider and cover more than social and labour issues. In other countries such as Poland, the social partners are consulted in a balanced way but the trade unions seem to show more interest in the process than the employer organisations.

In Table 7, countries are classified according to their degree of institutionalisation. Countries with a high degree of institutionalisation are those in which the involvement of the social partners is regular and predictable, where the social partners consider they have ample time for information and consultation, and where trade unions and employers are consulted on an equal footing. Countries with a medium degree of institutionalisation are those which record positive outcomes in two of the three factors considered. Countries with a low degree of institutionalisation are those recording positive outcomes only in one out of the three factors considered.

Table 7: Degree of institutionalisation in social partner involvement (n=22)

Degree of institutionalisation	Member States
High degree	AT, BE, DK, EE, LT, MT, NL, PL, SE and SK
Medium degree	CZ, DE, FI, FR, LV, SI and UK
Low degree	BG, CY, ES, IT and LU

Source: *Authors' own analysis based on country reports from Eurofound's network of European correspondents in the EU28 (22 responses received).*

Table 7 shows that 10 countries (Austria, Belgium, Denmark, Estonia, Lithuania, Malta, the Netherlands, Poland, Slovakia and Sweden) record a high degree of institutionalisation.

Seven countries (Czech Republic, Germany, Finland, France, Latvia, Slovenia and the UK) record a medium degree of institutionalisation, with consultation taking place in a regular, predictable and balanced way. However, the social partners in Germany (only the trade unions), France, Latvia and Slovenia feel that they do not have enough time for information and consultation, while the social partners in the Czech Republic, Finland and the UK state that although they are not consulted regularly they consider they have enough time for discussions and that consultation is balanced.

A third group of five countries record a low degree of institutionalisation: Bulgaria, Cyprus, Italy, Luxembourg and Spain. While the social partners in Bulgaria have regular, online, consultation, they say it is unbalanced and there is insufficient time. In Cyprus, the consultation is irregular and unbalanced. In Italy, Luxembourg and Spain, consultation is irregular and time for information and consultation is considered insufficient, either lasting only one day (Luxembourg and Spain) or consisting of a few, sporadic meetings (Italy).

Degree of impact

In order to analyse the degree of impact (the extent to which social partners' views are taken into consideration by the national governments when drawing up their NRP), this report examined whether the governments were annexing the social partners' views to the NRP. The fact that the social partners' views are annexed does not necessarily mean that these views are taken into consideration, but it certainly increases the transparency of the consultation process.

It was found that the views of the social partners are annexed only in Austria, Poland, Spain and Sweden. In the Spanish NRP from 2015, only the views of the employer organisations were annexed. For Belgium, the national correspondent points out that the views of the social partners were directly integrated into the document. In other countries, the NRP state that the social partners were consulted, and sometimes include the date of the meetings (the Netherlands and France) or the date when the draft documents were sent to the social partners (Denmark). However, no precise information on the views of the two sides of industry is included. This fact makes it difficult to monitor, through desk research, the impact of social dialogue on the content of the NRP. In view of this, the information on the impact of social dialogue on the NRP given in the present report relies exclusively on the assessment of the national experts which is based on interviews conducted with, or written questionnaires sent to, the national social partners.

This analysis reveals that, in quite a high number of countries, the national social partners have little or no impact at all on the content of the NRP. In some countries, the social partners, particularly trade unions, complain about their lack of influence on the NRP. Trade unions in Cyprus, for example, state that their opinions are not taken into account at all when the NRP are drafted. In Bulgaria, the two main trade union confederations and a number of NGOs established the ‘National Alliance – Bulgaria for democratic, social and sustainable European Semester’ in the autumn of 2014. A recent analytical report from the National Alliance states that this project is a

... response to the view that, although the social partners and other civil society organisations develop and present their positions and seek to influence the European Semester, their impact often remains fragmented, publicly unknown, and the added value does not match the input efforts.

(NASO, 2014)

In Germany, the trade unions claim that they do not feel their political views had much impact on the content of the NRP. On 26 February 2015, the trade union confederation DGB published a statement criticising the consultation process related to the NRP. The DGB claims that, in 2013 and 2014, the consultation meetings were held for debating organisational, rather than policy, issues. The employers’ organisations, however, find that they are able to present their views on main issues, but do not know whether these are taken into account. In Spain, the Economic and Social Council, in which both trade unions and employer organisations participate among other stakeholders, stated that social partners considered their involvement in the production, monitoring and assessment of the NRP to be insufficient. The Economic and Social Council argues that ‘the procedure for the democratic implementation of the NRP set up in the 2020 strategy has not been respected’ (CES, 2014, p.102). In the United Kingdom, it was felt that the consultation undertaken by the Government may, in practice, serve more to inform social partners of the government’s intentions rather than to elicit the views of the social partners.

In other countries, the social partners comment that their views are taken into consideration but only in relation to some topics, hence having a limited impact. In Austria, the social partners say that their comments are usually taken into account when they refer to inaccurate data or other facts, but not so often when they refer to different interpretations or policy priorities as expressed by the social partners. The Austrian employer organisation noted that, in some crucial policy reforms related, for instance, to pensions, the government took their views only partially into account. This position was also shared by Ulrike Rabmer-Koller (UEAPME and Wirtschaftskammer Oberösterreich), speaking at the high-level event in Brussels on 5 March 2015, who stressed nevertheless that the practice of involving the social partners in the European Semester in Austria did exist (European Commission, 2015a). In Italy, from 2011 to 2014, the NRP incorporated the views of the social partners only with reference to social partners’ agreements which were in line with governmental policies. For instance, the 2012 NRP included the ‘Inter-confederal Agreement on the Structure of Collective Bargaining (28 June 2011) for the decentralisation of collective bargaining’. The 2013 NRP explicitly refers to the ‘Guidelines to increase productivity and competitiveness in Italy’ signed on 21 November 2012. However, the enactment of the labour market reform, the so-called Jobs Act, was supported only by the employer organisations and not by the trade unions.

The study has identified just a few countries in which the views of the social partners had a significant impact on the NRP: Belgium, Finland, Malta, the Netherlands and Sweden. In Malta, the opinion of the trade unions on the Cost of Living Indicator (COLA) was included in the sense that the government – to date – has refrained from revising this mechanism. In the Netherlands, the government took the social partners’ views into consideration and there are several examples showing that legislation included in the NRP more or less directly derived from the input of the social partners. In Sweden, the social partner comments on the NRP, the CSR and the Europe 2020 strategy were taken into consideration and were included in the appendix of the NRP.

Attention should be drawn to those countries (mostly Nordic and central–western Member States) in which the social partners, while not having had a direct influence on the NRP, report having a strong influence on social policy in general, due to their long tradition of social dialogue. In Denmark, the social partners state that their views were neither reflected nor incorporated in the NRP; however, the social partners were involved in the definition of a new reform on vocational education included in the NRP. The real influence on the production and implementation of this reform does not stem from the European Semester programme, but results from tripartite meetings held outside the framework of the European Semester. In Finland, the social partners have a strong role in national labour market and social policy in general, and the NRP is, to a large extent, an instrument to present the policy measures of the Finnish government. In Luxembourg, the social partners are largely involved in the implementation process of social policies by means of the established social dialogue and collective bargaining structures, even if their direct involvement in the NRP appears to be relatively limited.

Table 8 summarises the information on the impact of the social partners’ involvement according to three categories: significant, limited and no influence at all. The inclusion of the countries in each category is based on the assessments of the correspondents.

Apart from two groups of five and six countries where the social partners have, respectively, high influence and no influence at all, the social partners in 13 Member States have a limited influence on the NRP. In some countries such as Cyprus, Germany or Spain, this limited influence applies only to employer organisations while the trade unions claim to have no influence at all. The difficulties must be stressed, however, in separating the involvement of social partners in the Semester process from other processes of national social dialogue. Thus, in the national reports from Finland, Netherlands or Malta, it is emphasised that while the social partners have a strong influence on social policy measures in general, their actual participation in drawing up the NRP documents is relatively low.

Table 8: Degree of impact of social partner involvement in NRP (n=22)

Influence over NRP design			Views of social partners annexed	
Significant	Limited	No influence	Yes	No
BE, FI, NL, MT, SE	AT, CY (EO), CZ, DE (EO), EE, ES* (EO), FR, IT, LT, LV, LU*, SI*, PL	BG, CY(TU), DE (TU), DK, ES (TU), UK	AT, ES (only from EO in 2015), PL, SE	BE, BG, CY, CZ, DE, DK, EE, FI, FR, IT, LT, LU, LV, MT, NL, , SI, SK, UK

Source: *Authors’ own analysis based on country reports from Eurofound’s network of European correspondents in the EU28 (22 responses received).*

* very limited influence

Table 9 presents an overall classification of the countries according to the social partners’ involvement, based on whether the degree of institutionalisation is high, medium or low, and whether the degree of impact is significant, limited or not relevant at all.

Table 9: Social partner involvement in the NRP

	Degree of impact			
		Significant	Limited	Not relevant
Degree of institutionalisation	High	BE, NL, MT, SE	AT, EE, LT, PL	DK
	Medium	FI	CZ, DE (EO) FR, SI	DE (TU), UK
	Low		CY (EO), ES (EO), IT, LU	BG, CY (TU), ES (TU)

Source: Authors' own analysis based on country reports from Eurofound's network of European correspondents in the EU28

The degree of institutionalisation (regularity, time allotted and degree of balance) is a necessary but not a sufficient condition for allowing the social partners to influence the content of the NRP. This report finds that in all the countries where social partners record a significant impact on the NRP a high degree of institutionalisation prevails. The exception is Finland, which records a medium degree of institutionalisation, since the social partners' involvement is neither regular nor predictable. At the same time, there are some countries where, despite a highly institutionalised social partner involvement, social partners have limited influence on the content of the NRP: for example, Austria, Estonia, Lithuania and Poland. At the opposite end of the scale are countries that record a low degree of institutionalisation and where the social partners have no influence at all on the content of the NRP: this generally is the case for both sides in Bulgaria, and for the trade unions in Cyprus and Spain.

Country-specific recommendations

As mentioned above, the European Commission has the monopoly of initiative in drafting and tabling the CSR. The Commission can inform the social partners once the CSR are adopted and it may also have discussions with the national social partners on the country reports (previously termed staff working documents) which form the analytical basis for the Commission proposals.

The national governments are entitled to consult the national social partners once the Commission has presented its draft CSR and before they have been scrutinised and agreed at the level of the European Council and or when implementing the reforms. Hence, this section makes a distinction between the consultation/information deriving from the European Commission and the information/consultation deriving from national governments.

Information and consultation by the European Commission on CSR

The study has found that in the case of 12 Member States (Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Latvia, Malta, Slovenia and Sweden) the Commission contacted national social partners in order to inform them or to discuss issues related to CSR (see Table 10 below). Greece, Ireland and Portugal are excluded from these analyses because they were exempt from the CSR in all, or most, of the years under scrutiny.

The responses from the national correspondents show that what is reported as 'consultation' on CSR can cover a wide range of issues, bearing in mind that the Commission does not consult national social partners when it is drafting the CSR. In some countries (Finland, France and Malta), information meetings following the adoption of the CSR have been held. In France, the meetings with the Commission occur during the period when the NRP is discussed. In those meetings, the French Government invites the members of the Committee on Social Dialogue in European and International Affairs (CDSEI) to meet the European Commission officials. The French social partners point out that they are merely informed about the adopted CSR: they are not given enough time to be consulted and cannot effectively put their position to the Commission.

In Finland, the Commission representation invites the peak-level social partners, along with other key interest organisations, to a hearing when the Commission has presented its AGS at the beginning of the year. The social partners are again invited when the draft CSR are presented. Previously, the dialogue with social partners had been based on informal contacts, taking place mainly on the initiative of the social partners themselves. In Malta, the Commission informed the social partners after the endorsement by the European Council of the CSR on 8 July 2014, and the consultative meeting was held on 11 July 2014. The social partner representatives attending this meeting were more or less the same actors as those who participated in the consultative meeting on the NRP.

In other Member States – for example, Austria, Denmark, Estonia, Germany, Slovenia and Sweden – regular meetings on the broader Semester process, including past recommendations on AGS, are held. In Austria, Commission representatives meet the social partners at least once a year. The meeting is more of an ongoing exchange of views on employment, social and educational issues, including past recommendations, than a forum offering the opportunity to comment on draft recommendations. In Germany, the social partners report that the Commission arranges one separate meeting with each social partner to debate general issues related to the CSR. However, employers and labour have different perceptions of the meeting. According to the trade unions, the meeting is useful for discussing particular topics of the past and upcoming CSR, but the views of the trade unions are not meant to be taken into consideration in the drafting of the CSR. The discussion is restricted to labour market, social and training issues and there is no room to debate overall policy orientation, economic policies or the European Semester process itself. Employee organisations also feel that the time assigned is too short. The employers, however, say the time assigned to the meeting is sufficient.

In Denmark, the Commission generally establishes contacts with the national social partners by means of the Contact Committee for Europe 2020. In Estonia, the social partners have held regular discussions with Commission representatives. In Sweden, the social partners have been invited to seminars and discussions with the Commission Representation in Sweden and, on one occasion, met with the General Director of DG Employment. The Commission representative described these meetings as occasions for the exchange of information. In the course of a public consultation, the Swedish social partners were also invited to table their comments on the Europe 2020 strategy to be used for the mid-term evaluation. The Commission Representation in Sweden also had separate meetings with peak-level representatives from employer organisations and trade unions. In Slovenia, the Commission representatives hold regular meetings with the national social partners and the social partners are consulted when the Commission is defining the CSR.

Informal contacts through other channels take place in Belgium. Although there are no formal consultation procedures in Belgium, the social partners regularly meet the members of the Employment Committee (EMCO) to exchange views. According to the social partners, their views seem to be taken into consideration by the Belgian desk in the definition of the CSR.

Table 10: Information from European Commission on CSR

Type of information	Member States
Information meeting following adoption of the CSR	FR, FI, MT
Regular meetings on the Semester process, including past CSR (ex-post information)	AT, DE, DK, EE, FI, SE, SI
Informal contacts through other channels (e.g. EMCO)	BE
Information meetings with one side of industry	CZ, LV

Source: Authors' own analysis based on country reports from Eurofound's network of European correspondents in the EU28

Information and consultation by national governments on CSR

According to the research, governments and national authorities involved the national social partners in the definition and/or implementation of the CSR in only 10 Member States (Belgium, Bulgaria, Czech Republic, Finland, France, Luxembourg, Malta, the Netherlands, Slovenia and Sweden).

In general, national correspondents have interpreted implementation of the CSR in a broad sense, including, for example, cases in which national governments addressed recommendations by drafting new laws or executing new policies. This study makes a distinction between involvement and implementation. Involvement of the social partners is defined as their contribution to policy design, such as drafting laws or developing policies. Implementation is interpreted as their involvement in the execution of the policies. As mentioned earlier, involvement includes information and consultation practices between peak-level social partners and governments, although this report differentiates between information and consultation practices, since each practice has different implications in terms of the impact of the social partners on the process and the content. During the consultation process, the social partners are expected to provide feedback and comments and, therefore, their capacity to influence is greater.

Table 11: Specific forms of involvement of national social partners in CSR (n=10)

Tripartite fora		
Standard tripartite bodies	Specific 'European committee'	Tripartite ad-hoc committees/meetings
CZ, LU, MT, NL, SI	BG, FI, FR, SE	BE, NL

Source: Authors' own analysis based on country reports from Eurofound's network of European correspondents in the EU28 (10 responses received).

As Table 11 shows, the specific forms of involvement of the national social partners in the CSR are rather similar to those seen earlier for the NRP (see Table 9). In Belgium and the Netherlands, the involvement takes place via informal meetings. In Bulgaria, France, Finland and Sweden the social partners are informed by means of specific committees addressing European policies. In the Czech Republic, Luxembourg, Malta, the Netherlands and Slovenia the involvement of the social partners is ensured by means of standard tripartite bodies (such as the Economic and Social Council/Committees).

The scope and degree of the involvement of the social partners in each of these 10 Member States is set out below. In Belgium, the national authorities consult the social partners on the draft CSR. However, due to the regional structure of Belgium, the Belgian CSR is first discussed between the federal government and the regional governments, with the social partners being consulted afterwards. Consequently, because of the strict timing, the social partners have less than 48 hours to react and hence argue that there is not enough time allotted to this consultation. They are also involved in the implementation of CSR, due to the fact that they are involved in all fields of employment and social policies.

In Bulgaria, the debate is carried on in the 'Europe 2020' working group, but also in other platforms, such as the Economic and Social Council. It was reported that the Economic and Social Council has been relatively active in assessing CSR. For example, in the summer of 2014, the Economic and Social Council adopted a Resolution on the CSR of the European Commission for the 2014 National Reform Programme for Bulgaria.

In the Czech Republic, the social partners are consulted by the government on the draft CSR in a tripartite standing committee (the CESA Working Team for the EU). The Czech social partners are mainly involved in drafting policy measures in different fields such as collective bargaining, labour market participation, active labour market policies, wage-setting mechanisms, education and training, social inclusion and migration.

In Finland, the social partners are informed about the draft CSR by the government in the standing sub-committees which are part of the general structure for preparing EU affairs. They are also involved in the whole implementation process as part of the regular continuing social dialogue between the government and the social partners.

In France, the social partners are involved in both the definition and implementation of the CSR. For instance, in response to a CSR urging France to introduce policy measures aimed at increasing adult participation in lifelong learning, the social partners signed an inter-professional agreement on 14 December 2013. This agreement was extended to all workers by the Law of 5 March 2014. This law creates an individual lifelong learning account for all workers and provides for financial contributions from all employers to this scheme.

In Luxembourg, the social partners were indirectly involved in all CSR that resulted in national draft legislation. As part of the legislative procedure in Luxembourg, the social partners can submit an assessment on the draft legislation. Moreover, the government has consulted the social partners when trying to achieve consensus on implementing some recommendations related to the reform of the wage-indexation mechanism.

In Malta, consultation by Commission representatives of the social partners and of the national authorities takes place at the same time.

In the Netherlands, the social partners are involved in the implementation of CSR in many different fields such as labour market participation, active labour market policies, wage-setting mechanisms, labour market segmentation, education and training, and poverty and social inclusion. The strong tradition of social dialogue in this country ensures the involvement of the social partners in the design and implementation of the CSR.

In Slovenia, the involvement of the social partners in the implementation of CSR has improved in recent years. At the beginning of the crisis, the government reduced the scope of social dialogue, and governmental unilateralism became the key implementing mechanism for policies defined at European level. This led to conflicts with the trade unions and there were numerous demonstrations, protests and strikes. Eventually, the social partners reached agreement on the importance of maintaining social dialogue in seeking a way out of the crisis while achieving a compromise on urgent structural reforms on employment, pensions, and austerity measures. This compromise resulted in a better coordination of the actors in the implementation of the reforms listed in the CSR. It is in the Economic and Social Council – its working groups as well as in the special committees of different Ministries – that legislation on different issues such as employment, pensions and austerity measures is currently in preparation.

Finally, Sweden is an interesting example of how national social partners may influence CSR in negotiations with national governments. In June 2012, a specific CSR recommended the Swedish government to lower initial salaries and revise employment protection legislation. However, after the Swedish peak-level trade unions expressed their concerns about it to the Swedish government, the matter was not pursued by the European Council. The unions' main criticism was that the recommendation would have interfered with Swedish wage formation, since it challenged the Swedish social partners' autonomy in this area. The fact that this country was 'top of the class', being usually subject to rather soft recommendations (Dufresne, 2015), may also have played in favour of a greater influence by national social partners.

There are some conclusions to be drawn about the countries in which the social partners were not formally consulted by the national authorities on the CSR. On the one hand, while some countries may lack a formal consultation in the European Semester process, their well-established tradition of social dialogue at national level ensures their participation in most of the important policies related to social and employment matters. This is the case, for instance, with Austria and Denmark. On the other hand, there is the case of Member States that were requested to launch a consultation process.

For example, some countries were explicitly asked by the Council to consult their national social partners while carrying out CSR on, among other things, wage-setting. While some Member States complied, others – notably Spain and Italy – did not. In Spain, the social partners were not involved in the drafting of policies approved in response to the CSR, which addressed the reform of the collective bargaining system. In Italy, the social partners signed a national multi-industry agreement on 28 June 2011 in line with the CSR, with the full autonomy of the government, aimed at increasing the decentralisation of the national bargaining system. In summer of 2011, Law No. 148 – strengthening company level bargaining – was passed in Italy without any involvement of the social partners. According to the Italian report, this particular law in fact interfered with the traditional Italian industrial relations system, characterised by complete autonomy of the social partners.

Views of national social partners regarding the European Semester

In light of the overall aim of the report to garner the general views of the national social partners on the European Semester, the national correspondents asked the social partners to assess the following:

- the European Semester procedure and whether they would accept greater monitoring of national economic and fiscal policies by the European Union;
- the content, relevance and coherence of the Integrated Guidelines and of the CSR in the field of employment and social policies.

Assessment of European Semester procedure

The research found that it was more often the trade unions than the employer organisations who felt uncomfortable with a greater monitoring of national economic and fiscal policies by the European Union in the cycle of the European Semester. Specific criticism was raised by trade unions in Austria, Cyprus, Germany, Italy and Poland.

Trade unions

In Austria, the Chamber of Labour stressed that, while some of the recommendations were helpful from their point of view, it should still be up to the Member States to adopt or reject them.

In Cyprus, the trade union DEOK underlined that European mechanisms should play more of a supervisory and supportive role and ought to be less intrusive.

In Germany, the trade union confederation DGB, although it has traditionally called for a better coordination of economic policies in Europe, was opposed to the current European economic governance.

In Poland, the trade union OPZZ stated that, despite warnings from trade unions on possible risks for the austerity policy on social cohesion and economic growth, major features in the CSR (for example, regarding public finances) were adopted.

Despite these generally critical views from trade unions regarding the European economic governance, more positive statements were reported from the Czech Republic and Estonia: in these countries, the trade unions consider the European Semester to be a useful policy tool and accept greater monitoring of national economic and fiscal policy-making.

Employer organisations

Employer organisations, by and large, tend to support greater monitoring of national economic and fiscal policies in the cycle of the European Semester. This view was expressed in the reports from Austria, Cyprus, the Czech Republic, Germany, Poland, Slovakia and Spain. In Cyprus, the employer organisations commented that they had been asking for stricter control of national fiscal policies long before the European Semester began. In Germany, the BDA strongly supports the European Semester as a procedure that is needed to prevent macroeconomic imbalances. It also says it supports improved enforceability with regard to the CSR and that financial assistance should only be granted on the basis of reforms implemented as laid down in the CSR. In Spain, the Spanish Confederation of Employers’ Organisations (CEOE) stated that it would support a greater monitoring of national economic and fiscal policies by the European Union as this could lead to more competitiveness in Europe. Furthermore, the extension of the field of surveillance beyond fiscal imbalances (public debt, public deficits) was also viewed positively. According to the CEOE, the inclusion of macroeconomic imbalances within the field of surveillance is useful in order to identify the factors that limit the competitiveness of the Spanish economy and to propose better structural reforms. The CEOE considers it necessary to further reinforce the implementation of the CSR.

Joint social partners’ opinions

In countries such as Finland, both employer organisations and trade unions point to what they consider to be over-interference from the Commission. The Finnish social partners criticise a general lack of understanding regarding the role of the social partners in the Finnish model of industrial relations. Both sides of industry disapprove of the European Commission interfering with the autonomy of the social partners, particularly when it comes to wage formation (disapproval mainly expressed by trade unions) and labour and social policy (disapproval expressed mainly by employer organisations). In Hungary, where social partners are not involved at all in the European Semester, the social partners assessed the monitoring positively, although the national correspondent notes that they have only a limited knowledge of how it works. Similarly, in Romania, both trade unions and employer organisations are supportive of greater monitoring in the course of the European Semester. In the UK, the social partners’ views on the European Semester are more muted: management and labour agreed it was not very relevant for UK policy-making, although they differ as to the extent to which they feel monitoring is desirable.

Table 12: Views of the national social partners on the European Semester procedure

Trade unions		Employer organisations	
Support greater monitoring of national policies	CZ, HU, RO	Support greater monitoring of national policies	AT, CY, CZ, DE, ES, HU, PL, RO, SK
Reject greater monitoring of national policies	AT, CY, DE, FI, IT, PL	Reject greater monitoring of national policies	FI
Ambivalent position	SK		

Source: Authors’ own analysis based on country reports from Eurofound’s network of European correspondents in the EU28

Assessment of the Integrated Guidelines and of the CSR in the field of employment and social policies

The research found that it was more often the trade unions than the employer organisations who were critical of the policy content of the European Semester.

Trade unions

Most trade unions are critical of the policy content of the European Semester, especially of what they perceive to be an unbalanced agenda: one that focuses on promoting austerity (for example, fiscal deficit and public debt reduction) and less on achieving other social goals of the Europe 2020 Strategy, such as reducing poverty or promoting social cohesion. This criticism was raised by trade unions in Belgium, Bulgaria, Cyprus, France, Germany, Italy, Luxembourg, Malta (mostly focused on CSR related to pension and wage indexation mechanism), Poland, Slovenia and Spain. In countries with a pluralistic trade union landscape, such as France, while trade unions do have different perceptions of economic

issues, they all plead for a more social approach. Another criticism from trade unions has to do with what they consider to be an excessive focus on labour market flexibility and the marketisation of collective bargaining (Marginson and Welz, 2015). In Spain, the trade union CCOO deplored the fact that the European Semester has been limited to ‘apply austerity measures and structural reforms aiming to decentralise collective bargaining, make labour law more flexible and making employment more precarious’. In Italy, the trade unions did not consider policies aimed at introducing further flexibility in the labour market to be a priority. In Lithuania, the trade unions expressed their opposition to CSR, calling for further market flexibility by, for example, amending the Labour Code to allow for a better use of fixed-term contracts.

On the contrary, in the Czech Republic, the trade union CMKOS evaluated the content, relevance and coherence of the Integrated Guidelines and of the CSR in the field of employment and social policies as being satisfactory and adequate. A somewhat ambivalent position is found in Slovakia, where the trade union KOZ supported some policy measures influenced by the European Semester related to housing and active labour market policies but rejected others that promoted flexibility.

Table 13: National social partners’ views on Integrated Guidelines and CSR

Trade unions		Employer organisations	
Agree with the content of IG/CSR	CZ, DK, EE, RO	Agree with the content of IG/CSR	AT, BE, CY, DE, DK, EE, LU, MT, ES, RO, SI, SK
Disagree with the content of IG/CSR	BE, BG, CY, DE, ES, FR, IT, LU, LT, MT, PL, SI	Disagree with the content of IG/CSR	-
Ambivalent position	FI, SE, SK	Ambivalent position	FI, SE

Source: Authors’ own analysis based on country reports from Eurofound’s network of European correspondents in the EU28

Employer organisations

Employer organisations tend to view favourably the content of the Integrated Guidelines and the CSR. Generally, they value positively the recommendations aimed at increasing competitiveness and fostering economic growth. Employer organisations expressed this view in Austria, Belgium, Cyprus, Germany, Luxembourg, Malta, Romania, Slovakia, Slovenia and Spain. In some cases, however, employer organisations such as the Chamber of Economy in Austria and CEOE in Spain state that the process is slow and that the reforms do not always go far enough or are hardly implemented. Different views on the employer side were found in the Czech Republic, where the employer organisation SPCR found the content, relevance and coherence of the Integrated Guidelines and the CSR in the field of employment and social (for example, on retirement schemes) policies to be inappropriate.

Joint social partners’ opinions

In Denmark, Estonia and Romania, trade unions and employer organisations generally agree with the content of the Integrated Guidelines and the CSR. However, in Finland and Sweden, there is a situation where both social partners agree with some CSR and Integrated Guidelines but reject others, usually ones addressing policy fields in which the social partners play an exclusive or prominent role.

Conclusions and outlook 4

At EU level, the findings show that the involvement of the social partners in the European Semester process has improved at critical junctures. The social partners are now consulted prior to the publication of the AGS, and it was agreed that the AGS 2015 will engage further with the European social partners prior to the AGS and receive feedback on emerging trends or topical, country-specific issues. The country reports are published three months earlier in order to allow for a better discussion of the reports with the social partners and other stakeholders at national level. EPSCO has discussed the further involvement of the social partners and endorsed EMCO guidelines in this respect to be followed also by the SPC. The European social partners have welcomed the opportunity to participate directly in discussions at the informal meetings of the employment and social affairs ministers, a practice begun under the Italian presidency. The European social partners have also welcomed the improved dialogue with EMCO and the SPC as the preparatory committees for EPSCO. However, the same progress has not been made with regard to cooperation with the ECOFIN committees, even when engaged in joint work with EMCO on topics such as collective bargaining. There also seems to be a general consensus among EU institutions and European social partners that, despite recent progress, there is still a need for greater involvement on the part of the social partners in both the European and national strands of the European Semester.

Key points

The European Semester has reinforced the economic policy coordination by extending the field of surveillance, including sanctions, to global macroeconomic imbalances and by strengthening the binding character of this surveillance. Although the role of national social partners in the European Semester is not prescribed in the regulation of European economic governance, they are seen as crucial to the development of the European Semester. As underlined by the European Commission, the Member States need to involve social partners more in the European Semester, not only in order to ensure that key reforms are understood and accepted but also because this involvement will enhance the effectiveness of policy coordination at EU level (European Commission 2013a; European Commission, 2014).

Extent of involvement of the social partners

This study has mapped the source and content of the involvement of the social partners in the European Semester, the role of the national social partners at two important junctures of the European Semester – the NRP and the CSR – and their perception of the European Semester. In terms of the first issue, it is worth noting that, in most Member States, the involvement of the social partners is mainly carried out within already established social dialogue structures and institutional frameworks. In contrast, six countries (Bulgaria, Denmark, Finland, France, Poland and Sweden) have approved specific provisions, rules and/or memoranda that establish the formal structure for consultation between social partners and the government on matters associated with the Europe 2020 strategy. Although these structures do not guarantee the institutionalisation of social dialogue, most establish sound formal procedures to ensure that the consultation on the process of the European Semester is relatively regular and predictable. This is a precondition to achieving social dialogue practices which are functioning and effective.

This study has shown that in most Member States social partners are involved in the NRP. Leaving aside the programme countries (Greece, Ireland and Portugal) which were exempt from submitting NRP during most of the timeframe covered (2011–2014), the study has revealed that only in three countries – Croatia, Hungary and Romania – are the social partners not involved in either the definition or the implementation of NRP.

Degree of institutionalisation

The study has also analysed the degree of institutionalisation of the involvement of national social partners in the NRP – the frequency and regularity of involvement, the time allotted to information and consultation and the degree of balance of the consultation among trade unions and employer organisations – and the degree of impact (the extent to which the views of the social partners are taken into consideration by the national governments).

With respect to the first issue, the study has found that 10 countries (Austria, Belgium, Denmark, Estonia, Lithuania, Malta, the Netherlands, Poland, Slovakia and Sweden) record a quite high degree of institutionalisation, in the sense that the social partners are consulted in a regular and predictable way, consider themselves as having enough time for information and consultation and are contributing on an equal footing.

A second group consisting of seven countries (Czech Republic, Finland, France, Germany, Latvia, Slovenia and UK) record a medium degree of institutionalisation. In these countries, the consultation is deemed to be regular, predictable and balanced, but social partners in France, Latvia and Slovenia, as well as the trade unions in Germany, feel that they do not have enough time for information and consultation. This group also includes countries where the social partners are not consulted on a regular basis, yet the two sides of industry consider they have enough time for discussions and that the consultation is balanced (Czech Republic, Finland and UK).

A third group of five countries record a low degree of institutionalisation: Bulgaria, Cyprus, Italy, Luxembourg and Spain. In Bulgaria, although consultation is carried out on a regular basis, it is deemed to be unbalanced and the time assigned to this is insufficient. In Cyprus, the consultation is evaluated as irregular and unbalanced. In the remaining countries (Italy, Luxembourg and Spain) consultation is irregular and the time for information and consultation is too short, lasting only one day (Luxembourg and Spain) or consisting only of a few sporadic meetings (Italy).

Degree of impact

As regards the degree of impact, the study has found that in 13 Member States – Austria, Cyprus (employer organisations only), Czech Republic, Germany (employer organisations), Estonia, France, Italy, Latvia, Lithuania, Luxembourg, Poland, Slovenia, and Spain (employer organisations) – the social partners only have a limited or very limited influence, and this influence extends only to specific topics or stems from employer organisations. In a second group of six countries, the social partners and/or trade unions do not have any influence at all: Bulgaria, Cyprus (trade unions), Denmark, Germany (trade unions), Spain (trade unions) and UK. It is worth noting that in Cyprus, Germany and Spain, the employer organisations report having a limited influence, while the trade unions say they have no influence at all. In a third group of just five countries (Belgium, Finland, Malta, the Netherlands and Sweden), the social partners claim to have a high impact on the NRP content.

In light of these findings, it can be concluded that the degree of institutionalisation (regularity, time allotted and degree of balance) is a necessary but not a sufficient condition for the social partners to influence the content of the NRP. Therefore, other additional factors must be taken into consideration when assessing the influence social partners may have on the content of the NRP. This finding should trigger future research into the analysing of factors promoting effective social dialogue in the context of the European Semester and beyond.

Contact with the Commission

As far as the involvement of national social partners in the CSR is concerned, the study has shown that the Commission has established some kind of contact to discuss past CSR or debate general issues related to the European Semester in 12 Member States (Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Latvia, Malta, Slovenia and Sweden). In some countries, the national social partners have been pro-active in contacting the Commission. In other countries (such as France), the national governments have encouraged the Commission to contact the national social partners, while in a few countries the initiatives has come from the Commission itself. By and large, the role of the European Commission at this juncture is not sufficiently clear in some Member States. The study also revealed that the governments/national authorities involve the national social partners in the definition/implementation of CSR in only 10 countries (Belgium, Bulgaria, Czech Republic, Finland, France, Luxembourg, Malta, Netherlands, Slovenia and Sweden). In one Member State, Sweden, the national social dialogue between trade unions and government has even succeeded in modifying the draft CSR. At the other end of the spectrum, the report identified countries such as

Italy or Spain, in which the national governments implemented important labour market reforms without consulting the social partners, even when the European Council had recommended them to do so.

Lack of trade union support

Finally, the study has found that trade unions, more often than employer organisations, are dissatisfied with the European Semester procedure itself (it should be noted, however, that information in this regard was not available for all the EU28). With regard to the content of the Integrated Guidelines and CSR, most trade unions criticise the policy content of the European Semester, especially what they perceive to be an unbalanced agenda, one which focuses on promoting austerity and, to a lesser extent, on achieving other social policy goals included in the Europe 2020 Strategy, such as reducing poverty and promoting social cohesion. The employer organisations, in contrast, tend for the most part to agree with the content of these recommendations. While employer organisations in 12 Member States approve the content of the Integrated Guidelines and CSR, this is the case for trade unions in just four countries – and in another 12 countries trade unions disagree with them. Although this information must be analysed with caution as responses were not available for many countries, the findings certainly indicate stronger support for the content of the European Semester among employers than among trade unions. This lack of trade union support may be also a factor behind the low involvement of labour in the design and implementation of CSR at national level.

Outlook: Towards a stronger social dimension of the European Semester?

Fernandes and Maslauskaitė (2013) rightly ask whether a new social dimension is needed for the EMU only, or for the EU in its entirety; they argue in favour of the EU as a whole. The European social model, of which social dialogue is seen as the central pillar, has been challenged in the crisis. The recent attempts to strengthen the social dimension of the EMU address some of its initial weaknesses in order to make it fairer, more competitive and able to promote growth (Costamagna, 2014). At the same time, after seven years of economic crisis in many Member States, the European Union is faced with less cohesion, more inequality, and an increasing lack of trust by EU citizens in the process of European integration. A new impetus to improve social dialogue and reinforce the social dimension of the EU and the European Semester might mitigate some of these effects. In the Commission's view, developing the social dimension of the EMU is an essential part of this process. This means developing the ability of current economic governance mechanisms and policy instruments to take into account and address challenges related to employment and social policies in the EU – helping all Member States to achieve their growth and employment potential and improve social cohesion in line with EU objectives (European Commission, 2013a). The European Economic and Social Committee (EESC), too, has long maintained the point of view that 'a social market economy in Europe needs to combine competitiveness with social justice. There is no conflict between a dynamic economy and social progress; rather, they are mutually conducive' (EESC, 2012).

According to Bekker: 'With each European Semester cycle, the tensions between EU competences and the autonomy of member states and social partners is likely to grow' (Bekker, 2014). Due to its strong roots in the principle of subsidiarity and proportionality, social dialogue may be better placed than the normal legislative route for aligning economic and social objectives. In the context of the TFEU, the principle of subsidiarity is intended to ensure that decisions are taken at a level as close as possible to the citizen, while ensuring that any action to be undertaken at European level is justified when compared with the options available at national level. This means checking that the objectives of a particular proposal cannot be better achieved by the European Union, rather than within the framework of a Member State's national constitutional system.

Some scholars, in the context of the European social dialogue and its merits, prefer to speak of 'horizontal subsidiarity' (Bercusson and van Dijk, 1995). Horizontal subsidiarity applies the concept of subsidiarity – originally invoked in the context of the exercise of prerogatives between the different levels of Member State and the European Community

(‘vertical subsidiarity’ as laid down in Article 5(3) TEU) – to the context of social partnership: the exercise of competences between the EU and the European social partners. Horizontal subsidiarity addresses the specific question of choices at the same level: whether the exercise of prerogatives by the EU institutions or by the European social partners is preferable. The same test is applicable at the Member State level. Consequently, the principle of horizontal subsidiarity appears to be a strong argument in favour of a greater involvement of the European and national social partners in the European Semester.

President Juncker has reiterated the need to combine monetary stability and social fairness, declaring: ‘The stability of our single currency is as important to me as social fairness in implementing structural reforms (Juncker et al, 2015; European Commission, 2015b). In view of a more efficient and more effective social dialogue for Europe, including a better involvement of the social partners in the European Semester, the strategic policy objective the European Union should be striving for is a better balance between efficiency, equity and voice, as outlined by J.W Budd in his work *Employment with a Human Face* (Budd, 2004). As former Commissioner Andor stated in 2013: ‘Europe should be striving for an EMU with a human face’ (Chopin and Fabre, 2013).

On 31 January 2015, on the occasion of the thirtieth anniversary of European social dialogue – launched in Val Duchesse outside Brussels on 31 January 1985 – Vice-President Dombrovskis and Commissioner Thyssen reiterated that social dialogue was a prerequisite for a social market economy and crucial to competitiveness and fairness. By pursuing these goals, the European Union is maintaining, or regaining, popular consent and, in doing so, striving for legitimation (Hyman, 2006). Or, to put it in the terms recently used by President Juncker: ‘The European Semester is not an economic and financial semester. The European Semester, the country by country recommendations that the Commission delivers, must necessarily take into account the social aspects of building Europe in economic and monetary terms.’¹¹

¹¹ http://europa.eu/rapid/press-release_SPEECH-14-1525_en.htm accessed on 16 September 2015.

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This report explores the involvement of peak social partners in the European Semester at EU and national level during the period 2011 to 2014. While their role in the European Semester is not set out in the European economic governance provisions (the so-called 'Six-Pack'), the European institutional bodies view the two sides of industry as being key to the development of the Semester, and have called for their closer involvement. This report assesses the degree to which the social partners are involved in the different stages of the European Semester procedure on matters regarding employment and social policy issues and how their involvement could be enhanced. At the same time, it examines the role played by the European Commission and the national governments in communicating the country-specific recommendations. The study also looks at the views of the social partners themselves. The report was compiled on the basis of desk research and individual national reports submitted by Eurofound's network of European correspondents covering all 28 EU Member States.

The European Foundation for the Improvement of Living and Working Conditions (Eurofound) is a tripartite European Union Agency, whose role is to provide knowledge in the area of social and work-related policies. Eurofound was established in 1975 by Council Regulation (EEC) No. 1365/75, to contribute to the planning and design of better living and working conditions in Europe.

