

Involvement of the social partners in the European Semester: 2016 update

Introduction

The European Semester is a key component of economic governance in the European Union, aimed at coordinating the fiscal and economic policies of Member States. Although the role of social partners in the process is not defined in the European economic governance provisions, European institutions consider them to be key actors and have called for them to be more closely involved. The participation of the social partners is crucial for enhancing the ownership of European policies and ensuring meaningful implementation, as acknowledged in the Employment Guidelines.

Policy context

The involvement of the national social partners in the European Semester has evolved gradually since its initiation in 2010, with some improvements in recent years. Yet the Annual Growth Survey 2015 highlighted the need to strengthen the role of social partners in economic governance at both European and national level. On 5 March 2015, at the high-level conference ‘A new start for social dialogue’, organised by the European Commission, it was announced that the 2015 country reports would be published earlier to allow the social partners and governments more time to discuss the National Reform Programmes (NRPs).

Following the recommendations in the Five Presidents’ Report issued in June 2015, the Commission proposed in October 2015 to revamp the European Semester process and to encourage greater involvement of the social partners during the drafting of NRPs. The cross-industry European social partners (ETUC, BUSINESSEUROPE, CEEP and UEAPME) adopted a joint declaration on 26–27 January 2016 which emphasised the importance of involving social partners in European economic governance and the European Semester. This declaration was endorsed on 27 June 2016 by a quadripartite statement, also signed by the European Commission and the Council of the European Union.

Key findings

In most Member States, the involvement of the social partners in the European Semester is carried out in a relatively smooth way. In a number of Member States there has been an improvement in the procedures for involving the social partners. However, significant differences and outcomes remain in the quality and effectiveness of social partner involvement in the European Semester process.

Overall, the social partners reported no relevant changes in their involvement in the drafting and adoption of the NRPs over the past two European Semester cycles. This assessment includes those countries in which the process was unsatisfactory in the first place. In addition, there is still room to achieve a more institutionalised approach to the social partners’ involvement in the European Semester, particularly in Member States where this is currently lacking.

While the social partners in some countries reported some improvements in different aspects of the involvement process, others expressed concern that it had deteriorated in the 2016 cycle. The reasons cited for this negative assessment are disparate and merit more nuanced contextual information. Moreover, different views can be found among social partners within the same Member State.

In some Member States, the social partners consider their involvement to be informative rather than consultative. When a broader consultation takes place and there is the opportunity to express an opinion and to share a written position, it is reported that real exchanges between the social partners and the government do not take place. Most social partners do not consider this process to be a genuine consultation – unlike the processes they may take part in within the social dialogue framework at national level.

Social partner views not visible enough

The number of social partner opinions formally annexed to the final NRP has increased from the period 2011–2014. However, this list is still too short and not all practices to achieve this follow the same efficient pattern.

Most of the social partners are of the opinion that their views influence the NRP in some way, although to a limited degree. This perception of achieving influence is open to a wide range of interpretations, some of them mixed, as national industrial relations systems and social dialogue structures and practices strongly condition the outcomes of the processes.

More holistic involvement needed

The time allocated for consultation with the social partners has increased slightly in some Member States. Nevertheless, the social partners highlight the need to improve upon this to further their involvement in the European Semester process. They want to see as much time as possible allocated for discussion, and also an earlier start to their involvement in the European Semester cycle.

Processes in some Member States may involve the social partners at more European Semester junctures, which means earlier participation and developing exchanges at different stages.

Commission now plays more active role

Mainly by appointing the European Semester Officers, the European Commission now plays a more active role by informing social partners and stakeholders on European Semester developments.

Policy pointers

- Following Commission President Jean-Claude Juncker's focus on the involvement of the social partners and the quadripartite agreement on a new start for social dialogue, closer interinstitutional coordination between national governments, social partners and the European Commission should help to improve the efficiency of the European Semester. Proper involvement means having real discussions and an exchange of views that are traceable. It should not be a formal bureaucratic exercise, but rather a way to jointly build up legitimacy, boost the engagement of social partners, and lead to better and more accurate reforms.

- Shared ownership of the process and the outcomes between all players involved should be a desirable goal of European Semester policy coordination. It would emphasise the triangular relationship and coordination between the main players. This possibility should take account of national peculiarities in social dialogue and the autonomy of the social partners.
- Social partner involvement may benefit from the full-cycle approach that forms part of the very nature of the European Semester. This annual cycle approach could guide the timing and the stage of the social partners' participation. If the social partners feel more engaged in the developments along the different stages of the process – and not only during the single time slot for reviewing the NRP – this would reinforce their ownership of the outcomes.
- Transparency and accountability may help the social governance of the process. The social partners' views given throughout the NRP consultation could be made more visible to stakeholders and citizens.
- More and better time management throughout the whole process would help to increase the quality of the social partners' overall involvement, while also improving the transparency and social governance of the European Semester.
- Expanding the involvement along the whole process would strengthen trust and improve understanding of common views, while also contributing to the building of institutional and technical capacity among those organisations which claim to lack it.
- Although social partner involvement should respect national practices, applying the acknowledged standards on information and consultation, as defined in EU labour law, would help to improve the efficiency of the process.
- The topics addressed by involving the social partners might be further extended beyond the boundaries of strict employment and social issues, as other policies and reforms are not only closely linked to them but also strongly influence them.

Further information

The report *Involvement of the social partners in the European Semester: 2016 update* is available at www.eurofound.europa.eu/publications

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