

The role and involvement of Social Partners in the European Semester and EU economic governance

ETUC document discussed at the Executive Committee Meeting of 27-28 October 2022

The ETUC encourages the European Commission to set up a more structured and binding framework for social partners involvement in the EU Semester having respect of national practices but mandating the national governments to consult social partners according to quality criteria, and report on the effectiveness of their involvement and its results.

Summary of the ETUC Positions responding the Autumn Package 2023

In occasion of the consultations ahead the Autumn Package of the European Semester 2023, the European Commission submitted a request to receive inputs on how social partners contribute to the successful design and implementation of national reforms and investment agendas, setting their role and involvement in the European Semester. The announced Communication on strengthen the social dialogue and the Recommendation on role of social dialogue at national level are an opportunity to set a framework for social partners involvement in the EU Semester.

During the meeting held on 28 September, the European Commission envisaged a permanent involvement of the European social partners ahead of the publication of the Annual Sustainable Growth Strategy (issuing of broad economic guidelines, and of Country Reports and Country Specific Recommendations (as in art. 121 and 126 of the TFEU). The European Commission does not explain how national social partners should be consulted by their government neither in the European semester nor on the RRF implementation. National practices would be oriented through intergovernmental soft tools such as the Employment Guidelines and EMCO peer-review exercises.

CHALLENGES

The ETUC has, since years, advanced its proposals for a more structured involvement of social partners in the EU semester. Thanks to a decade of coordination with the support of the TUSLO network, the ETUC has gathered knowledge and evidences enough to state that:

- Trade union involvement in the European semester is too dependent from the good will of governments and the consultation is too often formal, leaving trade unions unsatisfied of the process and of its results.
- Soft law or moral suasion measures have little effects and no sanctions or negative consequences are foreseen for governments that do not consult social partners or deliver misleading reporting on the way they consult social partners.

As the RRF is concerned, preliminary conclusion of a study run by OSE and ETUI raises some challenges that are reason of concern for the trade union movement: role of social partners is diluted in multi-stakeholder consultation session. Consultation meeting are not attended by decision-makers (sometime implementing authorities neither). Timing of consultation is often inadequate. Traditional social dialogue structures or practices (where they exist) only partially mitigate the absence of dedicated consultation processes on the design and implementation of the NRRPs. Moreover, even though NRRPs deeply

modify the productive fabric of the country, and many components have structural impact on entire productive sectors and economic systems, it is surprising that social dialogue and collective bargaining is never mentioned as driver of change for fair labour transitions.

This study tends to confirm what emerged from the TUSLO assessment of NRRPs where a very low degree of alignment with trade union expectations was recorded ([ETUC survey NRRP implementation](#)). It gives the impression that governments want to “dance alone” in this recovery phase even when production, work, productivity and wealth distribution are at stake.

ETUC DEMANDS

The approach proposed by the European Commission is largely unsatisfactory and the ETUC asks that the following demands will be taken into consideration, introducing 4 quality requirements to improve trade union involvement practices:

- i. At appropriate level: trade unions have to be convened and consulted by actual decision-makers that hold the responsibility to deliver the different output of the EU semester (including the NRRPs);
- ii. In meaningful manner: trade unions should have access to complete information and comprehensive documentation in order to elaborate and deliver a full-informed position;
- iii. In good time: sufficient time should be made available to trade unions to elaborate on the position/intentions of the decision-maker and react according to their actual capacities, without altering or derogating from their internal democratic process, and receive a motivated answer on how the decision-maker took into consideration their inputs;
- iv. Adequate capacities: trade unions should have sufficient staff and material resources to take actively part in the European semester, or in any dialogue concerning the EU Economic Governance (including the NRRPs).

The Communication and the Recommendation should include the obligation for governments to consult social partners in occasion of the design and implementation of national plans (National Reform Programs, Stability/Convergence Plans or National Recovery and Resilient Plans) and implementation of CSRs. The Communication should establish that social partners are consulted according to national practices, once proved that the 4 quality requirements mentioned above are fulfilled. The Government will report on the process and results of the consultation in their national plans. One or more social partners should have the right to denounce the incorrect or misleading reporting of governments and ask that the national plans are sent back to the government for remediation.

The Communication and the Recommendation should acknowledge the added value that the ETUC brings to the entire Semester process (as long as the other EU social partners) because of its consolidated presence at national level and a strong coordination capacity that ensure consistency in the trade union action at EU and national level. As consequence of it, trade unions that are part of the ETUC should always be consulted at national level and receive resources to ensure the same chances to all national trade union confederations to engage at European level.

Consultation with Social partners should be result-oriented, with clear indication of the output expected and the timeframe, following the rhythm of the outputs and milestones of the European Semester and of the RRF. Dialogue between social partners and governments should ensure that specific supports or financial flows activated under EU

funding programmes are aligned to sustainability and social criteria, especially in compliance with the European Pillar of Social Rights, and in order to contribute to the achievement of Porto's Headline Targets.

Social partners have to be involved in the European semester processes and practices aimed at identifying social imbalances and their removal. This would imply a structured involvement in the use of the social scoreboard and the drafting of the Joint Employment Report and the annual revision of the Employment Guidelines. If this practice will be formalised in a Social Imbalance Procedure, the SIP should include clear rules on how social partners are involved, and how the quality requirements of social partners involvement are taken into account. SIP should ensure a role to social partners since its inception. It is crucial that any experimental or pilot action that introduces a SIP in the European Semester should be run with the full involvement of social partners.

A structured consultation with social partners should be foreseen in all instruments, facilities and processes that enhance the economic governance of the EU. Such instruments, facilities and processes (i.e. SURE, RRF, in-depth reviews, technical assistance programmes under the TSI, etc.) should be accessible only after consultation with the national social partners. National submissions requesting access to loans or other financial instruments should include a paragraph reporting the result of the consultation with the social partners.

Social partners should also be consulted to preserve the integrity of the EU instrument/facilities/programmes and ensure that their implementation is fully in line with the rule of law and prevention of criminal or illegal activities.