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From: General Secretariat of the Council
To: Permanent Representatives Committee/Council

Subject: Social Partners' involvement at national level in the European Semester

With a view to the Council (EPSCO) on 8 December 2016, delegations will find attached a note from the Employment Committee outlining the key messages stemming from the multilateral review on the social partners' involvement at national level in the European Semester.

Key messages on successful involvement of Social Partners in national European Semester processes

On 24 October 2016, the Employment Committee (EMCO) held its first multilateral surveillance review focusing on the involvement of Social Partners in national European Semester processes. This review took as its starting point the second paragraph of Employment Guideline 7, which reads: "*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*¹."

The following key messages emerged from this review and represent a step forward in the proper involvement of social partners in the European Semester which EMCO and European Social Partners agree to build upon.

1. The call on Member States to take the necessary steps to closely involve social partners in line with national practices, as described in Employment Guideline 7, has also been emphasised in the June 2016 joint statement on 'A new Start for social dialogue' referring to the Council conclusions of 16 June 2016.
2. Even though EU Member States have very different traditions and models of social dialogue, an appropriate institutional space and framework is generally conducive to effective social dialogue in the context of the European Semester. Time is important as well: successful social dialogue cannot be built overnight. At present, the level and quality/impact/effectiveness of involvement of Social Partners in the Semester varies considerably between countries.

¹ Council Decision (EU) 2015/1848 of 5 October 2015, on guidelines for the employment policies of the Member States (OJ L 268/32 of 15.10.2015). The 2015 Employment Guidelines were maintained for 2016 (OJ L 280/30 of 18.10.2016).

3. Social dialogue that functions well in general at national level, as well as some form of institutional setting (which may include legal provisions), are prerequisites for the successful involvement of Social Partners in the Semester proceedings and in specific policies and reforms as part of the European Semester. Even in countries with well-established models of social dialogue, existing mechanisms may need to be supplemented to address the specificities of the Semester processes or, indeed, EU work more broadly: it is notable that some successful models of social dialogue look across a range of EU work, in particular in the employment and social domain, and are not limited to the Semester².
4. Mutual trust, solution-oriented approaches and a sense of joint responsibility for fair and effective reforms or policies among the partners and with the government contribute strongly to the successful involvement of Social Partners, and to ensuring a sense of ownership for those involved. This is also conducive to the successful implementation of policy reforms.
5. The timing of Semester processes poses challenges for coordination processes at national level, with short deadlines for consultation often perceived by social partners as the single biggest obstacle to effective involvement. Frequent provision of information and engagement with Social Partners throughout the year, well in advance of key dates in the Semester calendar, may help address this in many ways, inter alia by ensuring that all parties understand what can sometimes be perceived as complex processes, that proposals for Country-Specific Recommendations are the outcome of a longer preparatory process that starts with the Annual Growth Survey, and that parties are generally aware of each other's views in advance of different stages in the Semester. Engagement of national social partner organisations in the European Social Partner bodies is essential to foster such understanding, but this requires sufficient time in order to transmit information and receive feedback at each level.

² Interesting examples include the organisation of regular meetings to prepare for or debrief from the EPSCO Council or the meetings of EMCO/SPC.

6. The National Reform Programmes (NRPs) remain the key national document within the Semester process (although their role and timing could usefully be re-examined). However, there is a clear desire from Social Partners to be involved holistically at all stages in the European Semester process. In light of this, the Social Partners wish to contribute, and be consulted, not only those chapters relating to employment and social affairs³, although these deserve specific attention by nature. Social partners consider a clear and transparent procedure for discussing and drafting the NRP that starts well in advance of the April deadline as a prerequisite for such an involvement.
7. Social partners have indicated their desire for greater feedback on the impact of their contributions once decisions within the framework of the Semester have been taken, to understand why particular policy options were pursued. Consideration could also be given to encouraging joint contributions from Social Partners, as experience indicates that these may have more impact than separate contributions.
8. In many countries Social Partners face capacity challenges. These can be due to historic reasons which are not easily resolved, or to declining membership or financial constraints. However, they can also be due to a lack of expertise or the absence of an institutional and legal framework which recognises their legitimacy, clarifies their role, and leaves sufficient scope for collective bargaining. Steps to address these issues by all parties involved could be reinforced, and greater involvement of European organisations of social partners could be positive, whilst the potential for European and Member State funding (*inter alia* through the ESF) to help social partners address capacity challenges should be further clarified.
9. Although EMCO and the Social Partners recognise the added value of broad consultation processes in the context of the European Semester, including civil society, they underline that the role Social Partners play in the labour market in many Member States can be quite specific.

³ The timing of processes relating to Convergence Programmes leaves room for improvement in this respect.

10. The European Commission's role in improving social dialogue regarding EU affairs, notably in the frame of the New Start for Social Dialogue, has been noted and acknowledged by Social Partners and Member States. Meetings with Social Partners at national level and the work of European Semester Officers, in particular, have been much appreciated over recent Semester cycles. During the reviews Member States expressed an interest in being more strongly involved in this work.
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