

Brussels, 22 October 2024

STATEMENT OF EUROPEAN SOCIAL PARTNERS CALLING FOR A FACTUAL AND MATERIAL INVOLVEMENT OF SOCIAL PARTNERS IN THE ECONOMIC GOVERNANCE AND THE EU SEMESTER

The REGULATION (EU) 2024/1263 of 29 April 2024 on the effective coordination of economic policies and on multilateral budgetary surveillance states that the involvement of social partners, among other relevant stakeholders, in the European Semester is key to ensuring national ownership of economic and fiscal policies as well as transparent and inclusive policy-making.

The reformed Regulation further includes social partners among the stakeholders that should be consulted in preparation of the submission of national medium-term fiscal-structural plans and Member states are invited to discuss the progress reports of such plans with social partners.

Member states are also invited to consult social partners before the submission of the first cohort of national medium-term fiscal-structural plans with appropriate deadlines considering the tight schedule of their preparations.

The economic dialogue is also defined through the involvement of the social partners in the framework of the European Semester, on the main policy issues where appropriate, in accordance with the provisions of the TFEU and national legal and political arrangements.

Such provisions should build upon the Recommendation on strengthening social dialogue (N. 10542/23) in the European Union which recommends Member states to make further arrangements in order for social partners to be systematically, meaningfully and in a timely manner involved in the design and implementation of employment and social policies and, where relevant, economic and other public policies, including in the context of the European Semester.

The Quadripartite Statement for a New Start for Social Dialogue also affirms that the European Commission endeavours to enhance the involvement of Union-level social partners in economic governance and the European Semester, and that the Presidency of the EU recognises the need to closely involve social partners in the design and implementation of reforms and policies, in line with national practices, and recognises the specific to social dialogue and collective bargaining for that purpose.

Several reports find that the lack of social dialogue constitutes a bottleneck that slows down investments and reforms in National Recovery and Resilience Plans under the RRF and accordingly the involvement in the EU semester of the national members of the European-level social partners should be promoted and reinforced according to national practices.

The Social Convergence Framework will analyse and monitor social and sustainability policies and progresses in the EU Semester. It can benefit from a closer involvement of social partners with the two-folded aim to ensure a proper involvement on policy choices that directly affect workers and businesses, and secondly to protect autonomy of social partners from interferences to industrial relations at national level.

The European social partners, in order to give material applications to the provisions in articles 9, 20, 26 and 38bis of the Regulation invites the European Commission and the Council of the EU take the necessary steps to ensure that meaningful and appropriate involvement of the European-level social partners is set in a European rulebook and that such rulebook ensures:

1. Timely, meaningful and appropriate involvement of national social partners in the definition of national medium-term fiscal-structural plans is necessary to ensure the long-term sustainability of fiscal trajectories while preserving investments, and social progress.
2. The European-level social partners are able to give their view, separately or jointly, on the methodology used by the European Commission when assessing the plausibility of whether the projected general government debt ratio of a Member State is on a downward path or remains at a prudent level within the framework of the Debt Sustainability Analysis
3. The appropriate deadline referred to in article 36.1.(c) of the Regulation has to be meant in a way that requires national governments to convene national social partners at the earliest convenient time and not later than the 30th of July, starting a dialogue whose end is attained one week before the submission of the plan. In case a member state agrees with the European Commission the extension of the deadline to submit a plan, consultation with social partners is extended accordingly.
4. The European-level social partners should be consulted at the milestones of the European Semester and namely in timely, meaningful and appropriate way in preparation of the ASGS and of the Joint Employment Report and Euro Area Recommendations (month of September).
5. In the framework of the Social Convergence Framework, European-level social partners and their national members in countries that are subject to a second phase analysis are consulted (preferably in the month of March) in useful time to express their views on the existence of social imbalances and possible remedies.
6. When national social partners decide, on a voluntary basis, to submit a joint statement advancing remedies to social challenges identified in the SCF in the form of country specific recommendations, the European Commission will consider including such proposals in the set of country specific recommendations submitted to the Council of the EU, at the end of the European Semester cycle of the same year.
7. The national members of the EU Social partners are consulted in the month of March/April on progress reports of national medium-term fiscal-structural plans, on possible corrections to such plans and on the drafting of country specific recommendations.
8. The European Fiscal Board will include 2 observer members of whom one is proposed by the ETUC and one by BusinessEurope, SMEunited and SGI Europe. Observer members proposed by social partners are appointed according to COMMISSION DECISION (EU) 2015/1937 of 21 October 2015 establishing an independent advisory European Fiscal Board and enjoy the same rights of other member except Article 3.5 (remuneration) and article 4 (independence) for the wording “or from any other public or private body”.
9. National independent fiscal institution, take in due consideration the opinion of national social partners in accordance with national practices and rules.