

The role of Social Partners and Social Dialogue in the Semester process and in the Recovery and Resilience Facility (RRF)

Annex1 to the resolution: Negotiating a fair future: reinforcing the role of social dialogue
Adopted at the Executive Committee Meeting of 9-10 December 2020

Introduction

The European Pillar of Social rights affirms that social partners shall be consulted on the design and implementation of economic, employment and social policies according to national practices. Indeed, European and national social partners are today consulted in the framework of the economic governance of the EU with different degree of effectiveness in each country. Trade union involvement in the economic governance of the EU is regulated by (weak) rules and practices that belong to the specific process known as European Semester.

European Social Dialogue is too often mixed up with processes such as the European Semester, by employers and by the European Commission – i.e. to avoid bipartite commitments at European level and/or to reduce the scope and influence of the Social Partners. It is important to counteract the narrative which tends to reduce European Social Dialogue to a tool to implement reforms.

For these reasons, the role of European Social Dialogue and of the social partners in in the Semester process, the economic governance and the Recovery Plan needs to be clarified, especially during the drafting and the implementation of the emergency measures of the crisis. The EESC opinion on Social Dialogue (SOC 644) spotlights the importance of this.

Key principles

The following principles should guide the involvement of Social Partners in the Semester process and in the Recovery and Resilience Facility.

- Social dialogue and well-developed industrial relations at all levels are a crucial element of the European social model and democratic government. Meaningful and timely involvement of social partners in economic and employment policies is thus essential, as enshrined in Principle 8 of the European Pillar of Social Rights (EPSR).
- Social dialogue can be a driving force for fairer economic and social policies. Social partners can raise awareness of the consequences of economic and social change on social systems and labour markets. They can also play a key role in putting in place the conditions that will stimulate sustainable job creation, notably by facilitating economic recovery, a just transition, and labour market and social inclusion.
- 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 and the RRF is essential with the view of taking into account their position. Social partner consultations should be timely (i.e. social partners should be involved from an early stage and timely through the whole process), meaningful (i.e. with full access to information, data and policy orientations), and at appropriate level (i.e. government interlocutors involved, both at political and technical levels, should have a role allowing to hold a proper dialogue and, when relevant, leading to tripartite negotiations), allowing

the necessary analysis and proposals and fitting within decision making processes. Consultations should be well-structured (i.e. held regularly throughout the process and, ideally, with a schedule agreed in advance between government and social partners) and should be held in a format ensuring a proper dialogue can take place. The consultation process should also result in the government explaining if, how and why it retained (or not) proposals by social partners.

- 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.
- Respect of social partners and social dialogue structures and processes is a fundamental part of the European social model and must be complemented at national level. The autonomy of social partners to engage in social dialogue and define policies, at both bi-partite and tri-partite levels, must therefore be supported and promoted, and in no way supplanted, by the semester, economic governance and the recovery plan. In that regards, a safeguard clause that protects collective bargaining and autonomy of social partners should appear in all legislative frameworks ruling the economic governance at EU level including the European Semester, the correction of macroeconomic imbalances, the management of the EMU and, today, even more urgent, the implementation of the Recovery Plan for Europe.
- Effective Social Dialogue requires social partners to have sufficient resources and expertise to negotiate and implement agreements. In many cases, capacity building of social partners is also needed to ensure meaningful involvement in the semester and RRF.

In this context, the ESF+ (European Social Fund Plus) should expand its support to the development of social dialogue, namely by improving the capacity building of social partners including European sectoral and intersectoral levels. This commitment should become compulsory for Member States in all the regions of the EU and 2% of ESF+ resources should be allocated to bilateral and/or unilateral capacity building activities undertaken by social partners to strengthen the social dialogue.

- Reinforced competences should be used in consultation patterns for national and European social partners that should be enshrined in the RRF regulation and detailed in policy frameworks that implement the RRF (i.e. the ASGS).

The role of Social Partners in the Recovery Plan and lessons learned from the European semester

The ETUC strategy for social partners' involvement is defined in the document A New ETUC Strategy For Social Partners' Involvement In The Recovery Plan which upgrades the ETUC Toolkit for a trade union involvement in the economic governance of the EU, including the European Semester.¹

¹ <https://est.etuc.org/index.php/component/content/article/8-resource-center/85-a-new-etuc-strategy-for-social-partners-involvement-in-the-recovery-plan?Itemid=101>

Effective involvement at European level and cross-border coordination can improve involvement at national level but the degree of involvement depends too much on the discretionary power of governments.

A proper involvement requires continued action to engage decision makers (normally the Government) with proper consultation. It also requires legal and operational frameworks (mainly in the RRF Regulation) to ensure an adequate timeframe for consultation, access to documents/information, while building capacities of social partners to meaningfully participate in the process.

The ETUC is also working together with ETUFs to ensure that priorities for investments and reforms are better responsive to the overarching job-rich recovery, including in the drafting and assessment of National Reform and Resilience Plans an economic sector perspective.

The current setting of the Recovery and Resilience Facility: a window of opportunity that social partners have to exploit.

From October to December, member states have been preparing their guidelines for the Recovery and Resilience Plans. At this stage, the dynamics are mainly at national level and national trade unions are delivering the maximum effort to get involved. The ETUC is working to strengthen the voice of representatives of young workers and women. The ETUC also recommends a proper dialogue with sector organisations when defining priorities for investments, reforms and just transition measures.

The ETUC is supporting affiliates to organise national events in countries where governments are reluctant to involve social partners, to trigger consultation and to set up a roadmap for full consultation along the entire process.

We expect that Governments will report in their draft national plans, on when, how and on what social partners were consulted and how they took into account their opinion.

For countries where social partners were not consulted, between January and March, the ETUC wants to engage the European Commission to organise country-specific consultations when drafting the analytical documents assessing the substance of the recovery and resilience plans.

As explained in the ETUC document², the ASGS 2021 sets very clearly the need to involve social partners in the implementation of the RRF. However, at this stage, we expect that the European Commission and the Council will be proactive in promoting and implementing this principle.

The ETUC is also promoting a peer-review exercise on the involvement of social partners. We also recall the fact that Country Specific Recommendations 2019 and 2020 will be implemented through the national Reform and Resilience Plans. However, national Reforms and Resilience plans are wider in scope and therefore the involvement of social partners cannot be limited to the implementation of CSRs 2019 and 2020.

² <https://est.etuc.org/index.php/component/content/article/8-resource-center/85-a-new-etuc-strategy-for-social-partners-involvement-in-the-recovery-plan?Itemid=101>

Social Partner involvement in European economic governance

Social partners involvement in the European Semester was organised at different levels. A structured dialogue was organised with the European Commission services at different level. The principle was to organise early-stage consultation at the milestones of the Semester (ASGS, Country Reports, Draft Country Specific Recommendations). This cooperation was clear in tasks, aims and scope and it ensured a proper involvement of social partners at technical level, especially to deliver common analysis and identification on main policy drivers to address the identified challenges.

The Council's Employment Committee (EMCO) also engaged in a peer review exercise to monitor the implementation of CSRs on employment and social priorities. This exercise included the involvement of social partners in the semester and the role of social dialogue for reforms. Conclusions of this peer review exercise were transmitted to the Council and resulted in the so called "social" CSRs. This exercise was aimed at supporting the European Semester process. However, it was found to go beyond its scope when trying to assess the quality of social dialogue at national level and the representativeness of social partners – though for alleged capacity building purposes. The tripartite nature of this exercise and the ETUC supervision ensured that conclusions transmitted to the Council were almost always respectful of the original aims of the peer review exercise. However, the ambiguity of the scope of this exercise leads to a suboptimal situation and future clarification are needed to ensure that EMCO will remain within the scope of the economic governance and will not interfere with the autonomy of European social partners, engaged in official social dialogue activities within their autonomous working programme.

Social Partner involvement in Macro-economic dialogue

The ETUC appreciates the existence of the macro-economic dialogue.

Recent developments to improve the Macroeconomic Dialogue (MED) for trying to focus the debates on the current and urgent macroeconomic issues are also appreciated. Technical meetings in advance of the Dialogues at political level facilitate a deepening of the topic under discussion and to propose priorities to come in a more constructive manner. However, there is still no real link nor a possibility to influence the ECOFIN meetings or Eurogroup debates. The agenda of the MED rarely reflects the ECOFIN and Eurogroup debates. Furthermore, ECOFIN should involve the European level social partners either dedicating a session for discussions between the ministers and social partners, or through an informal ECOFIN following the example of informal EPSCO.

The MED could also constitute the right forum to consult European and relevant national social partners in the procedure on macro-economic excessive imbalances.

The role of SDG 8 in supporting social partner involvement

Together with the EPSR, the UN 2030 Agenda and its Sustainable Development Goals (SDGs), is another broad policy framework for social partners' involvement in the recovery plan and economic governance.

The ETUC believes social dialogue is a key part of SDG 8 and it creates positive correlation with other SDGs. Social Dialogue and Collective bargaining are crucial to anticipate change and implement solutions for productive transformations we need. Social dialogue is able to build political capital that national governments may use to win consensus of citizens for sustainable change. The UN2030 Agenda and the EPSR in the EU Semester should allow a more structured and compulsory involvement of social partners in the EU Semester process and national recovery and resilient plans. Social partners will increase transparency, effectiveness and accountability on the EU and national institutions in order to ensure that the objectives of sustainable growth and social progress.