

Note on European Semester: Co-ordination among the ETUC and its affiliates

The annual European Semester ('the Semester') for economic and fiscal policy coordination in the EU is an important aspect of the implementation of the new framework for European economic governance. The Semester is a complex process which takes place at both the European and national level and comprises two parallel and overlapping strands.¹

The ETUC is very critical of the current policies proposed by the Semester. Therefore the ETUC is seeking to increase its influence on the process. An improved coordinated approach at European and national level would strengthen our impact at key stages in the Semester calendar i.e. publication of the Annual Growth Survey (AGS), the National Reform Programmes (NRPs) and adoption of the Country Specific Recommendations (CSRs).

This note sets out: 1) the existing ETUC structure for coordination; 2) framework for influencing the Semester at European and national level; and 3) further steps to facilitate coordination. The 'European Semester 2015 ETUC agenda' is in annex, showing the ETUC and institutional calendar during the Semester cycle 2014-2015.

I) Structure for coordination

ETUC Secretariat

The Secretariat's work on the Semester is coordinated by ETUC Deputy General Secretary Józef Niemiec, with the assistance of ETUC Advisor Sarah King. Other members of the Secretariat provide policy orientation regarding their respective areas of responsibility. The Executive Committee is kept informed of developments through regular reports included in the Communications from the General Secretary and adopts key positions during the Semester cycle.

ETUC Committees & Working Groups

The ETUC's input to the European Semester cycle is principally based on the work carried out in two Committees: the Collective Bargaining Coordination Committee (CBCC) and the Economic and Employment Committee. These Committees generally meet twice a year and members are also informed of developments and asked for reactions and input via email.

The Semester also impacts on a range of policy areas under the responsibility of other ETUC working groups (WG). Several working groups have discussed the CSRs: the Social Protection WG has discussed the CSRs on pensions and unemployment benefits, the Lifelong Learning WG regularly discusses recommendations regarding education, lifelong learning and apprenticeships, the Women's Committee has provided analysis of the CSRs from a gender perspective and the Economic and Social Cohesion WG has discussed the macroeconomic conditionalities linked to the European Structural and Investment Funds 2014-2020.

The Committees and Working Groups provide the main opportunity for ETUC member organisations to discuss various aspects of the Semester and develop ETUC policy orientation. The European trade union federations are able to contribute their views through their representation in these groups.

¹ 1) Budgetary and structural policies; 2) Macroeconomic imbalance procedure (MIP)

ETUC resource tool for coordination of collective bargaining (the 'Toolkit')
(<http://collective.etuc.org>).

The Collective Bargaining Coordination Committee has developed a Toolkit allowing for exchange of information with members of the Committee and the ETUC Secretariat in real time during the Semester cycle. Members can react to aspects of the Semester which impact on wages and collective bargaining. The Toolkit consists of three sections:

- 1) Analysis, comments and reactions from members at the main stages of the Semester (Annual Growth Survey, National Reform Programmes, Country Specific Recommendations)
- 2) Monitoring the role or involvement of the national trade unions in the EU Semester
- 3) A barometer of respect of trade union rights concerning collective bargaining and wage formation.

The Committee has also established a Task Force (list of members in annex) which can meet at key stages of the Semester cycle. This year the Task Force met immediately following the publication of the CSRs in June. The Committee was able to issue a Statement on the Country Specific Recommendations 2014 concerning wages and collective bargaining systems, this includes alternative recommendations on wages and collective bargaining and a report on the National Reform Programmes 2014².

European Trade Union Institute (ETUI)

The ETUI assists the ETUC Secretariat by preparing a background analysis of the CSRs in the social policy field, including an overview of the current year's CSRs and a comparison with the CSRs issued during the previous Semesters.

II) Influencing the Semester at EU level

The ETUC's main interlocutors regarding the Semester are the Commission and its Employment Committee (EMCO). To date, interaction with the European Parliament has been limited as it has no binding role in Semester process³. Our main avenues for influencing the European institutions are:

- 1) AGS: social partner consultation with the Commission *ex ante* publication of AGS⁴ and with EMCO *ex post*
- 2) Key messages/priorities for the AGS adopted by the Executive Committee (October)⁵
- 3) Macro-economic Dialogue meetings (two meetings: autumn and beginning of the year)
- 4) Tripartite Social Summit
- 5) Social partner discussions with EMCO and the Social Protection Committee (SPC) in advance of the Spring Council;
- 6) Key messages to the Spring European Council adopted by the Executive Committee (March)
- 7) NRPs & CSRs: social partner discussions with EMCO regarding implementation of previous year's CSRs and, following publication of current year's CSRs, in advance of the June European Council endorsing the CSRs.

² http://www.etuc.org/system/files/circular/private-files/140604_cbcc_statement_and_report_nrp_csr_2014_en_3.pdf.

³ The EP prepares two resolutions on the AGS: 1) economic aspects; and 2) employment and social aspects. It also prepares a resolution on the CSRs.

⁴ The next consultation meeting will take place on **23 September 2014**. The ETUC delegation will consist of approx. 15 people with 2 places for ETUFs.

⁵ For the first time in 2014 Semester, the social partners views have been published on the AGS webpage

EMCO

EMCO carries out a continuous process of evaluation of labour market policy - from country peer reviews to thematic surveillance - throughout the Semester. This 'multilateral surveillance' forms the basis of the EMCO recommendations to the Employment, Social Policy, Health and Consumer Affairs Council (EPSCO). In consultation with the social partners, EMCO has developed Working Methods for its cooperation with the social partners which were annexed to the 10 March 2014 EPSCO Conclusions⁶. In the first half of this year, the ETUC has already provided EMCO/EPSCO with a number of documents⁷.

Macro-Economic Dialogue (MED)

These are informal high level meetings, involving the ECB, DG ECFIN, DG Employment, EMCO, the Economic Policy Committee and the European social partners. Technical and political level meetings are held twice a year (autumn and beginning of the year). The meetings focus on the theme 'growth friendly macro-economic policy mix', but there is also wide attention to structural reforms of labour and product markets. There is also usually a discussion on the Annual Growth Survey at the meetings at the start of the year. The social partners' Joint Declaration on Economic Governance adopted in October 2013⁸ (Joint Declaration) notes that the MED is the best forum to discuss the follow up of the procedure on excessive macro-economic imbalances with the social partners.

Social Dialogue Committee and Tripartite Social Summit

The Communication on *Strengthening the social dimension of Economic and Monetary Union* foresees two occasions for consultation with the Social Dialogue Committee: the first in October, in advance of the Tripartite Social Summit which then discusses the Semester, and the second in the spring, following publication of the AGS.

III) Influencing the Semester at national level

As in previous years, the feedback from affiliates is that other than a few exceptions, the involvement of the national social partners with the Semester at national level remains inadequate. In a few countries there is a structured dialogue between governments and social partners. In other cases where there is some dialogue, this tends to be informal and/or ineffective.

The Joint Declaration requests that the social partners' views should be annexed to the NRPs, however only a few affiliates have done this so far. Engagement at national level is, naturally, determined by the national situation regarding social dialogue and the industrial relations framework. However, some avenues that affiliates could try in order to influence the Semester at national level are:

- 1) Lobbying government regarding ETUC key priorities for the AGS
- 2) Requesting that your views should be annexed to the NRPs, jointly or separately from employers (if the government refuses send directly to the Commission)

⁶ http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/lsa/141426.pdf

⁷ 1) Letter to EMCO members before a joint EMCO/EPC seminar reviewing the 2013 wage recommendations to Belgium, Cyprus, Italy Spain; 2) Letter to EPSCO ministers & EMCO members along with a detailed study on the broken link between real wage and productivity growth (before Informal EPSCO Council 28-29 April); 3) publication of ETUC's own wage recommendations for a series of Member States before publication of the 2014 CSRs.

⁸ http://www.etuc.org/sites/www.etuc.org/files/other/files/layout_declaration_governance_21_10_13_clean_3.pdf

IV) Further steps to facilitate coordination/Moving forward

The coordination of the work on the European Semester is a work in progress. We must continue to improve this coordination to maximize our chances of influencing this process. Suggestions on how this can be done would be very welcome.

At the Economic and Employment Committee Spring School in Vienna (26-28 May 2014), participants felt that a similar approach to that taken regarding the coordination of our input on wages should be developed for other areas of labour market policy e.g. labour law, active labour market policy, investment in the workforce. This would require more detailed analysis and a critical evaluation of the Commission's approach and the CSRs, the systematic communication of ETUC positions to relevant policy makers, and the formulation of alternative CSRs. For this to happen, a clear engagement is required from ETUC member organisations.

There are other possibilities for influencing the semester that ETUC member organisation should consider:

- 1) Contacts with your national European Semester Officer (details available from Commission representation office)
- 2) Contacts with your EMCO and SPC representatives (see Annexes)
- 3) Requesting meetings with the Commission during its bilateral meetings with government (these take place in the MS)

To assist us in forming better picture of how coordination takes place at national level, it would be helpful if affiliates could provide the ETUC Secretariat with information about national structures for dealing with the Semester: e.g. who is involved (confederation(s) and federations); are there central points of contact; and is there national coordination (i.e. between the confederation(s), and between the confederation(s) and sectoral federations).

Annexes:

1. European Semester 2015_ETUC agenda
2. Task force_list of members