



ETUC proposals on

Strengthening the role of social partners in economic governance and the European Semester

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The ETUC regrets that the **role** of social partners and social dialogue is not sufficiently and effectively addressed in the Commission's Communication 'On steps towards Completing Economic and Monetary Union'. The Commission took on board some of our suggestions in terms of social partners' involvement in the elaboration of National Reform Programmes (NRPs) and in revising the format and scope of the Tripartite Social Summit and Macroeconomic Dialogue. Nevertheless, the approach is still fragmented. It does not ensure full involvement at all stages of the Semester both at EU and national level and, at national level in particular, implementation is still very poor. The entire stage 1 of Completing Monetary Union should draw on trade unions' and employers' involvement.

This is also in line with the ongoing process launched by the European Commission's '**new start**' for social dialogue in March 2015. Two parallel working groups, comprising the European Commission, social partners' and Member States' representatives have been addressing the following issues:

Thematic Group 1: Social dialogue, economic governance and capacity building

Thematic group 2: Social dialogue, law-making and policy-making

The results of this exercise will be known in February 2016.

Furthermore, the EU social partners signed a declaration on their '**Involvement in the European Economic Governance**' on 24 October 2013, putting forward several proposals for enhancing trade unions' and employers' involvement in the EU Semester process at all levels. Although some of these proposals have been followed up at EU level, many others have not been implemented and social partners' involvement and influence have not improved, particularly at national level. Furthermore, the EU Semester process has changed slightly since the signature of the declaration, both in terms of timing and content.

Within this context, the ETUC makes a number of proposals:

Strengthening social dialogue at all levels

Social partners are uniquely placed to address work-related issues through the dialogue and negotiation process that characterises their relationship. With their knowledge and

experience of the employment and social situation, social partners can help to improve governance and policy-making. Social partners should therefore be systematically involved in policy-making on issues having a direct and indirect impact on economic and social matters, including in setting regulation and in legislative initiatives linked to these matters.

In the framework of the EU Semester, social dialogue can be a driving force for successful, sustainable and inclusive economic, employment and social reforms. Social partners at all levels should agree with the relevant public authorities on a real, timely and meaningful involvement in the EU Semester (drafting the AGS, discussion of Country Reports, preparation of NRPs as well as assessing, designing, implementing and monitoring of relevant reform measures stemming from Country Specific Recommendations (CSRs)). Exchange of practices can be used to identify the criteria for an effective involvement of social partners in the EU Semester. In Austria, Belgium, Sweden and Slovenia this process is already in place.

Reshape the Macroeconomic Dialogue and look at the Euro area as a whole.

In a monetary union and a marketplace as integrated as the European internal market, the risk is that 'flexible national economies' will mean squeezing wages and increasing labour market flexibility at the expense of workers. If a majority of Member States decide to play against each other on wage policies and social dumping, the result will be disastrous for all.

To look at the Euro area and the internal market as a whole, the ETUC proposes transforming the Macroeconomic Dialogue into a forum where an in-depth discussion on the Euro and Europe-wide consequences of European economic governance and economic policies of individual Member States can take place.

This would imply moving from a general discussion of the macroeconomic situation of Europe and 'structural reforms of the labour market' to a more focused agenda assessing the impact of the reforms undertaken in the framework of economic governance in the Euro area; a broader participation of national social partners' representatives (to balance Member States' participation) and, above all, enhancing the relevance and impact of the discussions in the Macroeconomic Dialogue by systematically linking these up with the decision-making bodies.

The latter could be done by organising top-level hearings of social partners with the Euro-group and the European Council of finance ministers, in particular in the context of the Commission's proposal to reinforce the social dimension of the Semester.

Make the Tripartite Social Summit really effective.

To make the Tripartite Social Summit more effective in linking tripartite dialogue between social partners, EU institutions and Member States to the decision-making process at EU and national levels, the TSS should be reshaped according to the discussion that took place during the last TSS meeting on 15 October 2015.

Improvements and changes to be considered should include:

- a) Preparatory meetings between social partners and relevant institutions at political and technical level during the weeks preceding the TSS and the Council;
- b) A background document to be circulated to the social partners linked to some points of the agenda of the Council, in order to enable a constructive feedback and in order to influence the draft conclusions of the Council;

- c) Drafting joint declarations (bipartite and/or tripartite) on relevant topics of common interest, to be endorsed by the TSS and presented to the Council;
- d) Bringing forward the TSS meetings to the day before Council meetings;
- e) Organising bilateral meetings between social partners and relevant leaders before and during Council meetings;
- f) Organising social partners' hearings at the beginning of the Council plenary, to present the above-mentioned joint declarations and/or to discuss specific topics of common interest.

Introduce national tripartite dialogue bodies, or strengthen tripartite dialogue where it exists.

The European Semester urgently needs to rebalance its economic and social pillars. This is mentioned in the Five Presidents' report, but no concrete recommendations and decisions for implementation have been issued by the European Commission so far.

The ETUC rejects the Commission proposal to establish National Competitiveness Boards since they would introduce unwanted and unacceptable interference in social partners' autonomous prerogatives on collective bargaining and wage-setting, or in setting statutory minimum wages.

ETUC position on National Competitiveness Boards, 28-29/10/2015 (<https://www.etuc.org/documents/etuc-position-national-competitiveness-boards>)

The ETUC would instead propose to establish national tripartite dialogue bodies, with social partners fully involved. These national tripartite dialogue bodies should evaluate the ex-ante as well as ex-post impact of the NRPs and CSRs on any social issues, as well as analysing the current state of a core of social rights and standards.

The national tripartite dialogue bodies should also support social partners' capacity building for social dialogue and industrial relations; ensure proper social partner involvement in economic governance and all steps of the Semester process; and support social partners' contribution to investment, internal demand, competitiveness and productivity, as factors boosting economic growth.

The establishment of such bodies should be recommended to countries where they do not exist, or where social dialogue, tripartite dialogue and social partners' involvement in economic governance and the Semester process are not effectively implemented. In those countries where tripartite bodies, with equivalent roles and prerogatives, or de facto tripartite dialogue already exist, such recommendations are not needed.

Such bodies should be established, where needed, with full respect for social partners' autonomy and wishes, and for national practices and traditions, in line with art.153 of the Treaty.