



# The Employment Committee

## SOCIAL PARTNER COOPERATION WITH EMCO: WORKING METHODS

### Background:

Over the past few years, EMCO has sought to improve its engagement with the Social Partners as part of the committee's work to strengthen the coordination of employment policies within the European Semester. Furthermore a number of actors have stressed the importance of reinforced dialogue, and changes in other areas are progressing (Commission consultation on the AGS, Tripartite social summit etc.). As EU economic governance arrangements continue to advance, and add complexity, this requires an ever more important common understanding.

**The Employment Committee** has a particular role in this regard. Article 150 TFEU states that "In fulfilling its mandate, the Committee shall consult management and labour". The committee committed to improve consultation with social partners, stressed<sup>1</sup> the need to build on existing arrangements to ensure legitimacy and ownership at both national and European level.

**The European Social Partners** have expressed their views on ways to reinforce European economic governance. On 24 October 2013 they adopted their declaration on "Social Partner involvement in European Economic Governance". This declaration sets out ten key principles the European social partners highlight to guide their involvement in EU economic governance. It also includes a series of suggestions on how to improve existing processes to more effectively enable a strong contribution from them.

These working methods aim to formalise a number of steps to improve consultation under the European Semester between EMCO and the European Social Partners in accordance of the principles agreed by the Social Partners in their joint declaration. As the natural bridge between European and national level, joint work needs to balance the need for discussion on issues of EU wide importance with the opportunity to ensure country specific issues of importance are raised.

Drawing inspiration from the Joint Declaration of the European Social Partners, EMCO and the European Social Partners share the following key principles guiding their work together:

- 1) Efficiency:** There is no need for new structures/mechanisms to involve social partners in European economic governance. Improvements could nevertheless be obtained through a better functioning and coordination as well as in some cases through adapting existing structures/mechanisms.

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<sup>1</sup> in its contribution on the Social dimension of EMU

**2) Quality:** A closer interaction between EMCO and the European Social Partners is important, but improved working relations are a question of quality not quantity.

**3) Timeliness:** Discussions should be at key moments in the European Semester calendar.

**4) Open and well prepared:** Debates should be open, unrestricted (in full session) and well prepared, on the basis of a Steering Note prepared by the EMCO Support Team.

All the 10 guiding principles of the Joint Declaration are relevant for EMCO's work. However principles 7-10 encompass particular proposals for cooperation in implementing and monitoring the European Semester. This set of working methods therefore establishes some mutual commitments in this regard. It explains general working methods.

#### **Shared principles:**

*Principle 7: 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 is essential with the view of taking into account their position. Social partner consultations should be timely and meaningful, allowing the necessary analysis and proposals and fitting within decision making processes.*

*Principle 10: 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.*

➤ **In order to ensure an effective contribution to the work of the committee, EMCO will consult European Social Partners at the following points:**

#### **Point 1: Launching the Semester**

**In December / January:** between the adoption of the AGS and the EPSCO Spring Council, to debate the content of the AGS and Joint Employment Report and receive views on:

- 1) Draft Council conclusions on the AGS (drafted together with the SPC)
- 2) The Joint Employment Report (based on the Commission draft), and particularly the "Key messages" for the JER, which are subsequently sent to the Spring European Council.

**Prior to this:** in spring each year the EMCO Steering Group will meet European Social Partner Secretariats to exchange experiences on the European Semester process and to review the working arrangements.

#### **Point 2: Finalising the assessment of the implementation of the CSRs<sup>2</sup>**

**In May:** prior to the finalisation of the draft EMCO "horizontal" opinion to EPSCO on the National Reform Programmes and the implementation of the CSRs from the previous year.

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<sup>2</sup> EMCO takes note of the steps the Commission has taken to involve social partners in the bilateral discussions it organises with and in Member States in the course of the Semester.

The CSR process is characterized by a high degree of continuity, and the EMCO judgment on them is based on the multilateral position established through its multilateral surveillance. This surveillance is wound up during the country review in May.

In the course of the Semester, and prior to the review at the latest, the European Social Partners will be given the opportunity to provide the Committee and each other with an opinion on the relevance and implementation of the CSRs, which could be on the basis of the opinions of their national affiliates and/or on specific annexes to the National Reform Programmes<sup>3</sup>, thereby guaranteeing a meaningful influence of the June discussion of the new CSRs. The Social Partners will also be invited to the introductory session to the country review.

### **Point 3: June discussion on the CSRs**

**In June:** The EMCO Steering Group should meet with European Social Partner Secretariats for an initial reaction on the overall direction for the draft CSRs. This would not address country-specific issues.

The June committee phase is characterised by severe timing constraints<sup>4</sup>, not allowing for an elaborate consultation process. The entire committee phase is conducted over a very limited number of days (including all joint meetings with the SPC, EPC, EFC) before all country-specific opinions must be sent to the Council preparatory bodies. The meeting could therefore be envisaged immediately after the adoption of the Commission's proposals for CSRs and prior to the first committee negotiation.

*Principle 8: A transparent monitoring of employment performances and progress towards the Europe 2020 targets needs to be organised. The European social partners should here be involved in setting the relevant benchmarking indicators.*

### **EMCO, through its indicators Group, will discuss and take the views of the Social Partners on the Scoreboard as it is refined for use in the 2014 Joint Employment Report.**

The EPSCO Council 9 December 2013 approved the scoreboard of employment and social indicators. The Council "noted that further work in refining the instrument and integrating it into the existing instruments of employment and social governance needs to continue in order to realise its full potential". Work within EMCO will now continue to improve the scoreboard and refine its operational scope. The social partners will be involved in this work.

Furthermore the EPM, adopted by Council twice yearly, is also a living tool continually under development. Social Partners will be periodically consulted in developing labour market indicators and updating the EPM. This process will start with a presentation by EMCO of the EPM to European Social Partner secretariats.

**The mid-term review of the Europe 2020 Strategy** will take place throughout 2014 and early 2015. This is likely to address both progress towards the targets and potential revisions to the

<sup>3</sup> In case Member States decide to add such annexes

<sup>4</sup> With possible supplementary constraints in the 2014 Semester.

guidelines (BEPGS and the Employment Guidelines). EMCO will involve European Social Partners in these discussions and fix a procedure with them once the timing becomes clearer.

#### **FURTHER ISSUES RELATED TO Social Partners' and EMCO'S WORK:**

##### **The Tripartite Social Summit for Growth and Employment (TSS):**

The agenda of the March Tripartite Social Summit is expected to focus on the European Semester<sup>5</sup>. In consultation with the Council Presidency, which is expected to continue to work together with the Commission and the workers' and employers' cross-industry organisations on preparing the agenda for the Summit and is also expected to engage in preparatory meetings with Council, the Commission, the ETUC and BUSINESSEUROPE, EMCO will draft an independent discussion paper on Semester related themes and submit this to the EPSCO Council that formally prepares the March TSS.

Similarly EMCO can work with the Presidency to ensure that the main messages from its continuing engagement with the EU Social Partners on upcoming priorities and their feedback on the outcome of the previous European Semester process consultation may be shared with the EPSCO Council in advance of the October tripartite social summit. EMCO will work with the Council Presidency to make sure that a feedback of the discussions in the TSS can be given to the Committee, in order for it to take into account its results.

##### **Macro-economic dialogue:**

EMCO commits itself to a stronger engagement in the Macro-Economic Dialogue, at both technical and political level. It will provide an input for the meeting at technical level and make sure that a feedback of the discussions will be given to the Committee.

##### **Informal EPSCOs:**

EMCO welcomes the opportunity that Informal EPSCO Councils have provided for the Chair of EMCO to participate at regular meetings of the troika of EU Presidencies with the secretariats of the EU Social Partners. The outcome of these discussions is subsequently presented to Ministers and recent innovations in the programming of the informal Council meetings have enabled EU Social Partners to participate in workshop type discussions on relevant policy issues.

##### **The European Employment Strategy Mutual Learning Programme:**

EMCO will work with the Commission to explore ways of more closely involving social partners in the Mutual Learning Programme.

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<sup>5</sup>In this context, the specific theme for the March 2014 TSS has been set as "Rebuilding Confidence in Europe: Focus on Job Creation- Lessons Learned and Future Orientations"