



Involving SGIs in the
European Semester

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POLITICAL REPORT



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This project was co-funded by the European Commission

INTRODUCTION

This report provides an overview of key findings and evidence from the 2021-2022 project 'Involving SGIs in the European Semester', co-funded by the European Commission and undertaken by SGI Europe with its project partners and national members: SALAR, UNISOC, UDES, BICA, VÖWG, and Employers of Poland. The main aim of the project was to improve the involvement of the SGI Europe national members in the European Semester processes. The project involved an online survey for SGI Europe members, case studies in six target countries (Austria, Belgium, Bulgaria, France, Poland, Sweden), interviews and desk research, and analysis of the range of documentation. The project also has a training component with three training sessions to SGI Europe members in 2022 in Paris, Stockholm and Warsaw.

An important development supporting the project has been the appointment of National Semester Contact Points (NSCPs) amongst most SGI Europe national members. In 2021, in 14 Member States, national members of SGI Europe appointed their National Semester Contact Points (NCSPs). NCSPs will serve as a focal point in their own organisations for addressing the range of issues related to the European Semester in their countries at the national and European levels.

At the national level, they are expected to coordinate organisation's response to the various documentation and meeting requests, provide relevant inputs to the members and organisational leadership, and interact with the national government and European Commission officials on Semester related matters. They are also expected to provide the relevant inputs about the Semester issues to SGI Europe Secretariat in Brussels.

Furthermore, a regular survey will be issued to the NSCPs to gather their views and experiences on the progress with the implementation of the European Semester reforms and National Recovery and Resilience Plans. This information will be used by the Secretariat in policy exchanges with the European Commission.

WHY IS THE EUROPEAN SEMESTER IMPORTANT FOR SGI PROVIDERS?

The European Semester process influences the legislative and policy development at national level in a range of **policy fields directly relevant to SGI providers, including public expenditure, local and regional government, employment, education, and social care**. Indeed, the membership of SGI Europe is very diverse ranging from covering health, education, transport, local government, public utilities, housing, and other services delivered in the public interest.

The Semester regularly impacts on policy making in the employment and social policy sphere, where SGI providers at the national level often make an important contribution and where social partners at the European level have a specific role in policy making according to the EU Treaties. **The SGI provider dimension is often present in the CSRs** issued for each country, covering the policy areas where the public services and services of general interest play a key role (such as public finance, taxation, housing, transport, health and social care, education, environment).

WHAT ARE THE KEY POLICY PRIORITIES FOR SGI EUROPE IN THE EUROPEAN SEMESTER?

The key policy priorities of SGI Europe members are reflected in the core processes of the European Semester, starting with the Recovery and Resilience Facility, and continuing with the policy framework outlined in the Autumn and Spring Packages of the European Semester. The information is based on the latest 2021-2022 Semester cycle.

KEY REFORMS RELEVANT TO SGI EUROPE MEMBERS IN THE RECOVERY AND RESILIENCE FACILITY (RRF)

RRF is conceived as a key tool to address the EU's priorities as a response to the COVID-19 pandemic and address the challenges identified in country-specific recommendations under the European Semester. It has allocated concrete funding to address the strategic challenges and CSRs, with the €723.8 billion (in current prices) in loans (€385.8 billion) and grants (€338 billion) until 2026.

For some SGI Europe member countries, RRF represents a significant source of financing reform priorities – such as Greece or Italy. The country level targets, milestones, and progress are shown in the **RRF Scoreboard, where SGI Europe members can access information about the progress for their country**. The RRF has a thematic structure of six pillars, with a conditionality that each Member State must allocate 37% of RRF funding to green and 20% to digital transitions. The pillars include:

- **Pillar 1: Green transitions dedicates about 40% of RRF**, or EUR 177.4 billion to the support of various reforms and investments associated with the green transitions.
- **Pillar 2: Digital transitions is around 26% of RRF**, EUR 117 billion to the support of various reforms and investments associated with the digital transitions.
- **Pillar 3 Smart, sustainable, and inclusive growth** includes more than a thousand measures of the 22 RRFs, for a total of around EUR 223 billion.

- **Pillar 4: Social and territorial cohesion provides the funding of EUR 193 billion**, most to improve territorial infrastructure and services provided at local level, the gap between urbanised and rural areas. Pillar 4 also includes reforms to improve lifelong learning, assessment, and recognition of skills, upskilling and reskilling to strengthen career pathways, as well as investments to encourage trainings in the private sector (around EUR 16.4 billion).

- **Pillar 5: Healthcare and Resilience has an allocation of EUR 78 billion.**

There are several policy reforms and investments in the national recovery and resilience plans¹ which are of direct relevance to SGI Europe members. They are covering the policy areas of labour market, skills, and social protection.

Labour market: the national recovery and resilience plans contain a range of active and passive labour market reforms and investments of direct relevance to the SGI Europe membership. Major upskilling, reskilling and skills acquisition initiatives are planned in Belgium, Greece, Malta, and Sweden; measures to improve the capacity of public employment services in Bulgaria, Finland, and Greece. Apprenticeships and youth employment will be boosted by measures in Germany and France. A major labour taxation reform is planned in Belgium, and a major change to the employment protection legislation in Sweden.

Social services: Several NRRPs contain key reforms and investments directly relevant to the SGI Europe members providing social services. Reforms to the current pensions systems are planned in Austria, Germany, Malta, Spain, and Sweden, to the elderly and long-term care in Austria, Belgium, Portugal, Spain and Sweden. Housing investments will be made in Belgium and Sweden to address the lack of affordable housing. Significant health care systems reforms and investments are envisaged in Denmark, France, and Malta.

KEY REFORMS RELEVANT TO SGI EUROPE MEMBERS IN THE SEMESTER AUTUMN PACKAGE

In the 2021 Autumn Package, two policy documents are key to SGI Europe members – the Annual Sustainable Growth Survey and the Joint Employment Report.

The Annual Sustainable Growth Survey (ASGS) contains Commission's analysis setting out the broad EU economic priorities for the year to come. In this way, it provides the foundation to derive the Country Specific Recommendations (CSRs). For SGI Europe members, the dimension of Fairness is critical, for the following policy priorities outlined under the Fairness dimension affect them as major employers, as well as the call for reform priorities in policies to attract and retain workforce can benefit SGI Europe members.

The Joint Employment Report (JER) provides an-depth analysis of key labour market trends, for each of the countries of SGI Europe members, comparing the situation across the MS. This in-depth analysis of social and employment trends can be used by SGI Europe members in terms of providing policy orientation and as a tool for peer pressure. Of particular interest to the SGI Europe members is **the revised Social Scoreboard**, which is included in the JER.

Both ASGS and JER also reflect the priorities of the **European Pillar of Social Rights**. The Pillar is important to SGI Europe members as one of its key guiding principles Principle 20 is ensuring the access to essential services (such as water, sanitation, healthcare, energy, transport, financial services, and digital communication). The Action Plan for the implementation of the Pillar envisages action to further support Member States' interventions and contribute to enhancing access to and accessibility of essential goods and services.

¹ [Recovery and Resilience Facility | European Commission \(europa.eu\)](https://ec.europa.eu/economy_finance/recovery-and-resilience-facility/)

HOW DO SGI EUROPE MEMBERS PARTICIPATE IN THE SEMESTER PROCESS?

The project showed that over half of **SGI Europe members participate in the European Semester process in their country either on a regular or occasional basis**. Only a minority of 8% does this on a regular basis, whereas nearly 40% do so rarely or never.

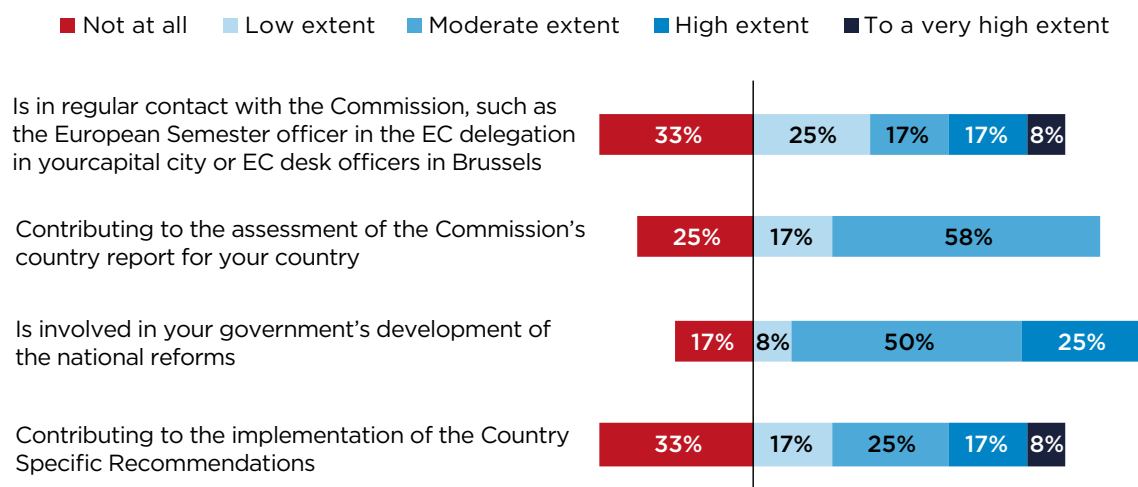
All **NSCPs conduct analysis and internal consultations to assess the priorities and their response to the Semester and national reform agendas**. Most contribute directly to the Semester process by sharing written inputs. At the same time, the majority of NSCPs have less than moderate knowledge and understanding of the European Semester process.

The project identified several challenges for the effective involvement in the European Semester of SGI Europe members:

- The challenges related to the **capacity for participation**; low knowledge of the Semester process; time available to respond; low awareness amongst policy makers of all policy actors including SGI Europe national members that need to be involved can be low.
- **The multiplication of Semester mechanisms for involving a variety of players sometimes** makes it difficult for outsider stakeholders to understand who does what and when. Hence, this project and capacity building activities should be able to provide a timely contribution to addressing this knowledge gap.
- **The key players at the national government and European Commission have differing expectations as to the kind of contributions SGI Europe members** are expected to provide and the impact these should have on decision-making. Here, SGI Europe members could be empowered to use the research findings in the project to build stronger relationships with the European Semester officers in the EC delegations in the national capitals.

FIGURE 1:

TO WHAT EXTENT DO THE MEMBERS ARE INVOLVED IN VARIOUS SEMESTER RELATED PROCESSES?



KEY RECOMMENDATIONS FOR SGI PROVIDERS

- **Organising training and awareness raising activities about the European Semester to raise further knowledge of the main aspects of the Semester internally**, including informing and raising awareness amongst the leadership and colleagues about the Semester process, its contents and how it can be used as a tool to advance the organisations' agenda in their countries.
- **Fostering the collaboration with the European Commission (EC) Representation**, including the organisation of seminars and through regular contacts with the EC. This also has the added value to bring the Semester process closer to the members of the organisation. This aspect is important, because the Semester process is often seen as distant from the priorities of members (challenging their engagement).
- **Considering how best to use existing structures of engaging with the members to mobilise their knowledge and expertise in preparing the inputs to the Semester process and raising members' awareness of the Semester process**. This could involve monitoring Semester developments and preparing regular reports for the organisation members, organising meetings with EU experts, and using existing working groups or the internal structures working on policy issues to consider also priorities raised in the Semester process.
- **SGI Europe national members should strongly engage with the main stakeholders coordinating the Semester process in their country**, including the main ministry coordinating the Semester process, the European Commission Representation, and the cross-sector social partners.
- **The National Semester Contact Points should engage regularly with SGI Europe General Secretariat to report on economic, social, and political developments at national level**. The ability of SGI Europe General Secretariat to regularly give input to the European institutions will fully depend on being well informed by its members through different tools such as the regular survey created within the context of this project which will be issued twice per year.
- **SGI Europe national members could use the existing Semester process more actively to ensure their views are heard by the national government in the adoption of key reforms and making of political choices**. The overall aim should not be only involved in one-off Semester consultations, but to build strong structured dialogue platforms. Here SGI Europe national members regularly meet with the central government and EC representatives to discuss progress on the Semester priorities, provide concrete input, and propose new actions, as well as be meaningful partners in the NRP implementation. In countries where SGI Europe national members involvement is currently more limited, these processes can even be used as leverage to secure more regular involvement in the relevant national policy debates.



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