Involving SGIs in the European Semester

INVOLVING SGIs IN THE EUROPEAN SEMESTER

FINAL REPORT

SGI europe

Employers entrusted to deliver
Sustainability Growth Innovation

CONTENTS

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EXECUTIVE SUMMARY

This document is a key outcome of the European project 'Involving SGIs in the European Semester' undertaken by SGI Europe with its project partners national members of SGI Europe: BICA, SALAR, VÖWG, Employers of Poland, UNISOC and UDES. The main aim of the project was to improve the involvement of the SGI Europe national members in the European Semester processes. The report was developed with the support of an external researcher, Inga Pavlovaite.

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 project involved an online survey of 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.

The project identified several challenges for the effective involvement in the European Semester of SGI Europe members, including low knowledge of the Semester process and mechanisms, and different expectations as to the kind of contributions SGI Europe members are expected to provide. The project also identified a series of best practices through which SGI Europe members are involved in different consultations and which can be further replicated.

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.

This report presents a manual developed as part of project activities, which consists of two parts:

- **Part I** provides an overview of the Semester and key advice and tips for SGI Europe members on how to engage and consult, at which points, with whom.
- **Part II** provides a thematic analysis in the Semester process, based on the analysis of policy priorities of SGI Europe members.

PART I
METHODOLOGY FOR GUIDING THE INVOLVEMENT OF SGI EUROPE MEMBERS IN THE EUROPEAN SEMESTER PROCESS

THIS PART COVERS THE FOLLOWING TOPICS:

- **What is the European Semester and what are its key points, also currently in 2021?**
- **Key tips for SGI Europe members on how to engage and consult, at which points, with whom in the Semester process.**

1.1 WHAT IS THE EUROPEAN SEMESTER PROCESS ABOUT?

The European Semester process was introduced in 2010 to ensure that national economic, financial, employment and social policies are coordinated in an efficient and systematic manner to deliver smart, sustainable and inclusive growth, the aims of the Stability and Growth Pact (SGP) and the national reform priorities.

The Semester is an annual cycle of policy interactions, involving the European institutions, national governments, social partners and other stakeholders at the EU and national levels. The European Semester process aims to encourage Member States to align their budgetary, economic, social and employment policies with the objectives and rules agreed at EU level. All the EU Member States participate in the policy coordination cycle of the European Semester[1].

THE USUAL SEMESTER PROCESS BEFORE 2021

Until 2021, the European semester was based on an annual coordination process with fixed calendar deadlines (see Figure 1).

The key milestones in the annual cycle of the European Semester are as follows:

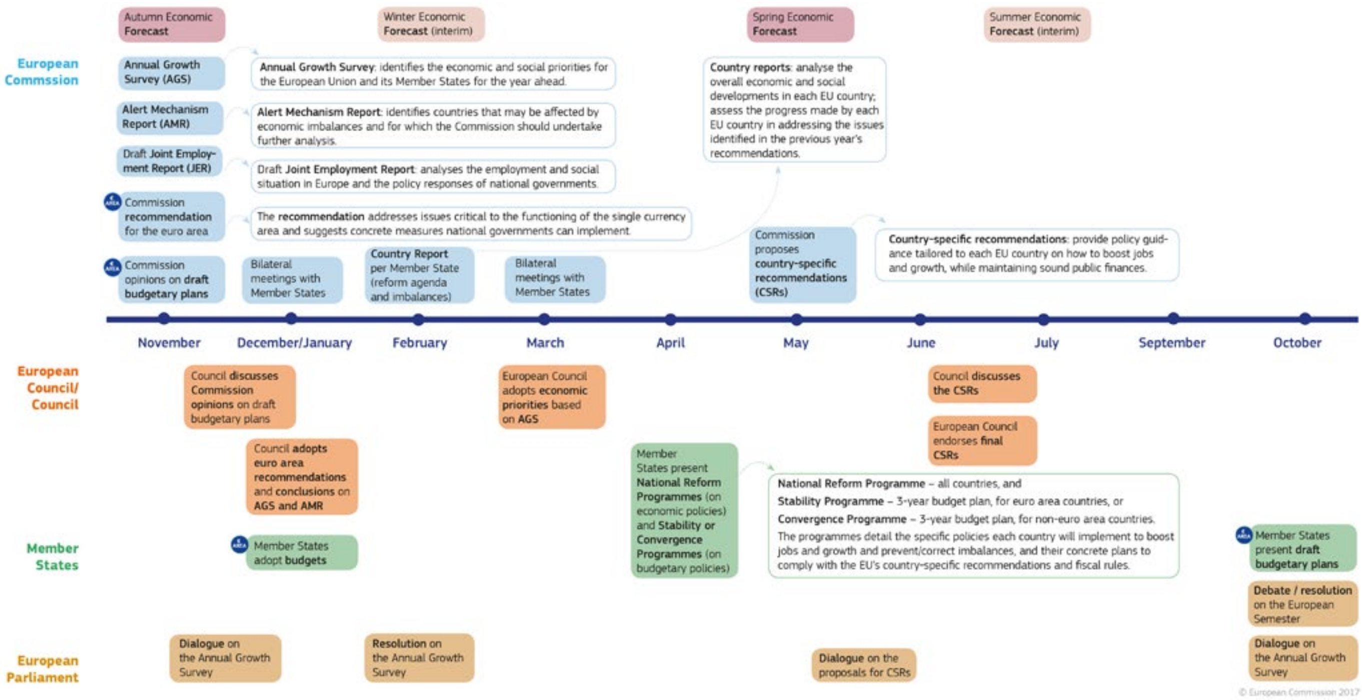
1. The preparation phase

In the **preparation phase**, the European Council sets the annual economic policy priorities on the basis of a European Commission proposal in the form of the **Annual Sustainable Growth Survey (ASGS)**. This typically provides the foundation to derive Country Specific Recommendations (CSRs) on the budget policy (to develop the national stability and convergence programmes) and economic, employment and social policy (to develop the National Reform Programmes). This is an annual document, prepared by the European Commission and released in November, launching the yearly European Semester by setting out the broad EU economic priorities for the year to come and inviting Member States to take these into account when devising their National Reform Programmes (NRPs). The Annual Growth Survey priorities are debated by the Council of Ministers and the various sub-committees before the European Council in March, which then sets the priorities for the national economic and budgetary decisions.

[1] Member States which have signed a Memorandum of Understanding in the framework of SGP do not submit separate NRPs or receive specific CSRs, their policy coordination process is oriented towards the implementation of the agreements in the MoU.

FIGURE 1:

THE ANNUAL TIMETABLE OF THE EUROPEAN SEMESTER PROCESS



Source: European Commission.[2]

The draft **Joint Employment Report,** attached to the ASGS, assesses the social and employment situation in the EU.[3] The JER has a legal basis in Article 148 TFEU and provides an annual overview of the main employment and social developments in the EU as a whole, as well as the Member States' reform actions in line with the Employment Guidelines. In addition, the Joint Employment Report 2018 for the first time monitored Member States' performance in relation to the European Pillar of Social Rights.

The Alert Mechanism Report (AMR) is a screening device, based on a scoreboard of indicators, which identifies countries that may be affected by economic imbalances and for which the Commission should undertake further in-depth reviews.

The AMR launches the annual Macroeconomic Imbalances Procedure (MIP), which aims to prevent or address imbalances that hinder the smooth functioning of national economies, of the eurozone or of the EU as a whole.

2. The implementation phase

In the **implementation phase**, Member State governments submit to the Commission their medium-term National Reform Programmes **NRPs**[4] along the lines of these target recommendations. These programmes detail how the targets of the EU 2020 Strategy are being reached, which national policies will be implemented and how EU guidance has been taken into account, also according to previous CSRs. The Member States present their National Reform Programme to the Commission[5].

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[2] https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-economic-governance-monitoring-prevention-correction/european-semester_en

[3] European Commission (2021) Communication, Proposal for a Joint Employment Report 2022, Brussels, 24.11.2021, COM(2021) 743 final, 2022_european_semester_proposal_for_a_joint_employment_report_0.pdf (europa.eu), accessed 28/10/2022

[4] Typically covering 2-3 years horizon, NRPs are available at https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-economic-governance-monitoring-prevention-correction/european-semester/european-semester-timeline/national-reform-programmes-and-stability-convergence-programmes_en

[5] National reform programmes and stability or convergence programmes | European Commission (europa.eu)

In addition, Euro area countries present their Stability Programme, which is a three-year budget plan.[6] Non-euro area countries present their Convergence Programme which is also a three-year budget plan.[7] The Commission assesses the plans and proposes how the Council should vote on them.

The European Commission and the European Council provides country-specific policy advice on general economic policy and budget policy in the form **of Country Specific Recommendations CSRs** which should provide the focus for national level reforms.[8] The recommendations are a set of actions for each Member State to take, according to its economic and social performance during the previous year and to the delivery of priorities set out in the AGS. The CSRs are proposed by the Commission based on an assessment of the challenges, risks and policy gaps in the country concerned and are aimed to support the achievement of Europe 2020, Stability and Growth Pact and other strategic goals in the country. The recommendations are meant to focus on the structural reforms which can realistically be achieved by the Member States over the next 12-18 months. The recommendations proposed by the Commission are discussed among national governments in the Council, endorsed by EU leaders at a summit in June and formally adopted by the national finance ministers in July. This is intended to allow for sufficient time for national governments to incorporate the recommendations into their reform plans and national budgets for the following year. For eurozone countries, national governments must submit their Draft Budget Plans for the following year by 15 October. The Commission assesses these plans against the requirements of the Stability and Growth Pact. The Commission issues a formal opinion on each plan in November, so its guidance can be taken into account when the national budgets are finalised. Eurozone finance/economy ministers discuss the Commission's assessment of the plans in the ECOFIN Council.

3. The analysis and follow-up phase

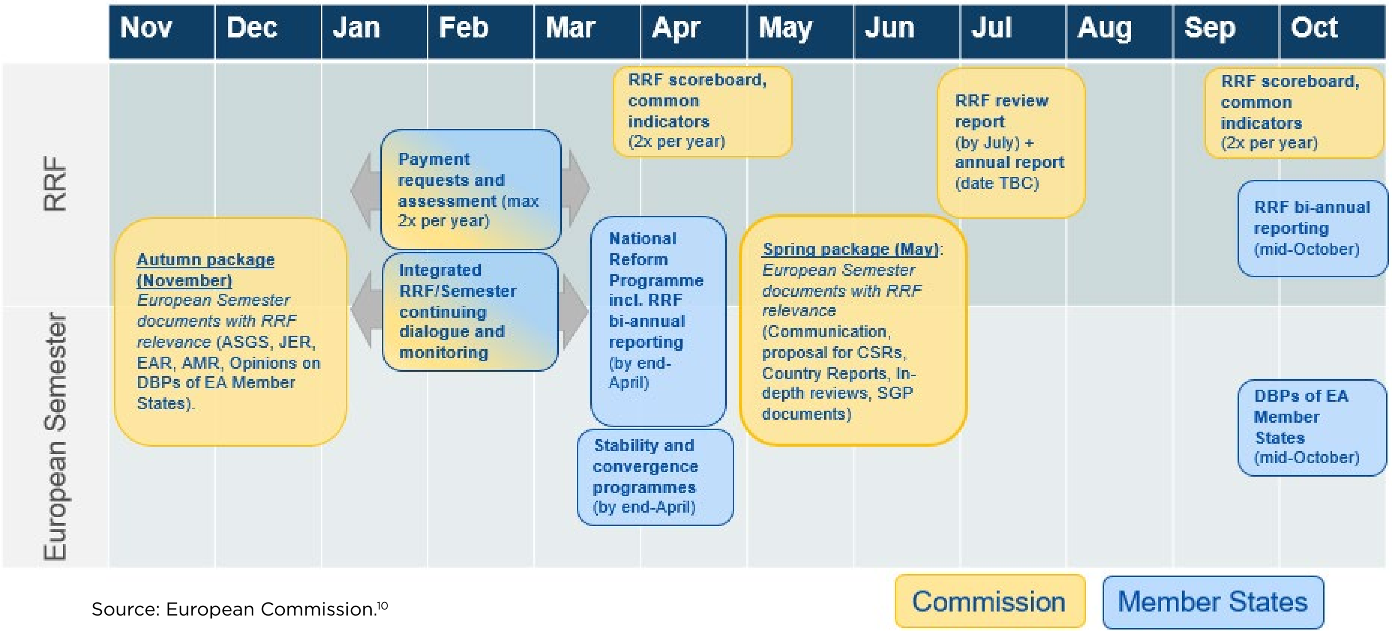
In the analysis and follow-up phase, the **Commission's country reports** in the following year assess how well these CSRs have been implemented and what remaining / new reform priorities are emerging for each Member State[9]. In-depth assessments of each Member State's implementation progress against the previous year's CSRs have been an integral part of the Commission's European Semester work. The reports cover all areas of macroeconomic or social importance and take stock of the country's budgetary situation. The Commission's assessment is based on the joint analysis of an interdisciplinary team of country analysts of all relevant measures that the country has taken or announced, cross checked against a horizontal assessment framework per policy area. As the reform progress is often not directly measurable and the scope of challenges differs across countries, the progress assessment is mostly qualitative. They assess the progress made by each EU country in addressing the issues identified in the previous year's EU recommendations.

Which European Semester aspects can SGIs directly influence? Why it is relevant for SGIs 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. Viewed from a wider policy perspective, the Semester regularly impacts on policy making in the employment and social policy sphere, where SGI providers at the national level often make and important contribution and where social partners at the European level have a specific role in policy making according to the EU Treaties. Furthermore, as economic and social policies are increasingly recognised as being inextricably linked, there was – after the first few years of the formal European Semester process – a recognition that the planning, implementation and monitoring of the

[6] Ibid.
[7] Ibid. Member States subject to the MoU do not present a separate NRP.
[8] Available at https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-economic-governance-monitoring-prevention-correction/european-semester/european-semester-timeline/eu-country-specific-recommendations_en
[9] 2022 European Semester: Country Reports | European Commission (europa.eu)

FIGURE 2:
LATEST SEMESTER CYCLE PROCESS



Source: European Commission.[10]

whole of the European Semester Cycle was likely to be less successful without the strong involvement of SGI providers at European and national level. 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).

European Semester since 2021

The **Semester cycle has been adopted in 2021** to reflect the EU's and Member State responses to the corona crisis.[11] The European Semester is adapted to coordinate it with **the implementation of the EU's Recovery and Resilience Facility**.[12] The Facility is the EU's main response to the corona crisis, and presents an important funding opportunity to support the recovery. It is planed that €723.8 billion (in current prices) in loans (€385.8 billion) and grants (€338 billion) are available to support reforms and investments undertaken by Member States.

Member State governments encouraged to submit their national reform programmes and recovery and resilience plans in a single integrated document. These single plans provide an overview of the reforms and investments that Member States will undertake in line with the objectives of the Facility. In 2021-2022 cycle of the Semester, the Autumn and Spring Packages were adjusted as follows, which is expected to stay in the future:

- Autumn Package 2021: includes the setting of strategic analysis of the broad policy challenges, the key EU policy priorities in the form of the Annual Sustainable Growth Survey[13] and Joint Employment Report[14].

- Spring Package 2022: where the Commission issued the country reports analysing the situation in each Member State and the Country Specific Recommendations[15].

[10] The European Semester timeline | European Commission (europa.eu)
[11] European Semester 2021 – an exceptional cycle | European Commission (europa.eu)
[12] Recovery and Resilience Facility | European Commission (europa.eu)
[13] 2022_european_semester_annual_sustainable_growth_survey.pdf (europa.eu)
[14] 2022 European Semester: Proposal for a Joint Employment Report | European Commission (europa.eu)
[15] 2022 European Semester: Spring package | European Commission (europa.eu)

In this way, The Recovery and Resilience Facility will be the key tool to implement the policy agenda in the months and years ahead. The European Semester cycle will closely integrate the Recovery and Resilience Facility and pursue its transition to a 'new normal'.

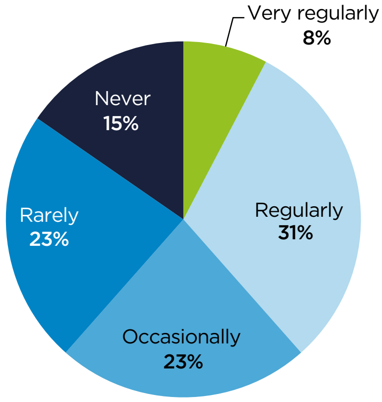
1.2 HOW CAN THE SGI EUROPE MEMBERS PARTICIPATE IN THE SEMESTER PROCESS?

Status quo

Project research activities, such as online survey of SGI Europe national members and interviews in six focus countries, showed that the **majority of NSCPs participate in the European Semester process in their country either on a regular or occasional basis, nearly half participate directly**.

FIGURE 2:

TO WHAT EXTENT DO SGI EUROPE MEMBERS PARTICIPATE IN THE EUROPEAN SEMESTER PROCESS IN THEIR COUNTRIES?

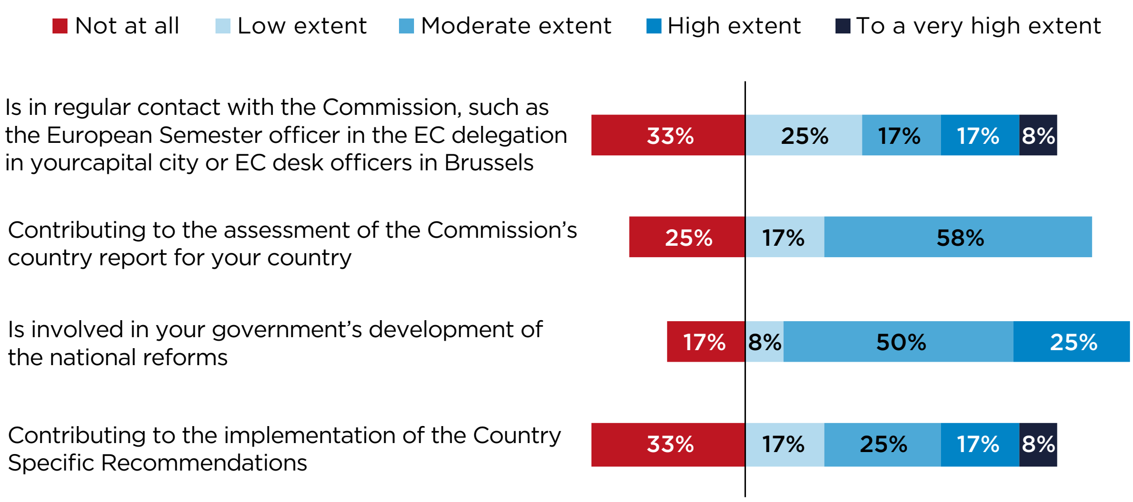


Source: Project Survey, 2021, n=14.

The majority of SGI Europe members **maintain contact with the Commission** on Semester-related matters; participate in the government's **development of the national reforms**; and contribute to the assessment of the Commission's country report as well as the implementation of the CSRs.

FIGURE 3:

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



Source: Project Survey, 2021, n=14.

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.

Academic studies[16] generally agree that, at the national level, the European Semester process is tightly controlled within the central government, typically a ministry of finance or prime minister's office or other ministry charged with the overall responsibility for the file. Involvement of actors outside the central government varies depending on the country context.

Challenges

Based on the literature, and information from SGI Europe members, we identified several challenges for the effective involvement in the European Semester of the social partners and other stakeholders such as 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.

Engagement of SGI Europe Secretariat with the European Semester process

Below is the summary of reflections of experiences of SGI Europe members on how to best engage with various stages of the Semester process.

SGI Europe general secretariat has many opportunities for being involved in and issuing policy recommendations to the European Semester process. These possibilities stem from a reinforced cooperation between SGI Europe and the European Commission rendered possible by the "New Start for Social Dialogue", a policy initiative enacted by the Juncker Commission in 2016.

Since 2016 the format for consultation of social partners at EU level has constantly evolved to better reflect the policy cycle of the European Semester.

SGI Europe is consulted on the Autumn package (ASGS, Joint employment report and recommendation to the euro area) two months before its publication. This consultation takes the shape of a dedicated meeting between EU Social partners and the European Commission based on a policy document anticipating the future content of the ASGS.

This meeting allows for the Social Partners (General secretariat and national members) to express the challenges they see for the next year related to the economic and social situation in the EU. After the meeting, employers and trade unions are invited to contribute, separately and in written, to further reflect their respective assessments for 2023. These written contributions are then published together with the Autumn package as the input of social partners.

[16] Eurofound (2016), 2017, 2019, Role of the European social partners in the European Semester, Dublin; Hayward, W., Lara Montero, A., Merchán Paúles, L. (2018), Bringing together Europe with local communities: social services priorities for the European Semester 2018, The European Social Network, Brighton, 2017.
Maricut and Puetter (2018) Deciding on the European Semester: the European Council, the Council and the enduring asymmetry between economic and social policy issues, Journal of European Public Policy, 2018, Issue 2; Sabato, S. and Vanhercke, B. with Spasova, S. (2017), 'Listened to, but not heard? Social partners' multilevel involvement in the European Semester', OSE Paper Series, Research Paper No. 35, Brussels, European Social Observatory, March, 46 p.

SGI Europe also has the possibility to further exchange with the European Commission services on policy developments in every Member State. These exchanges take the shape of dedicated meetings with Commission experts. EU Social partners can further send, at regular intervals, written contributions from their national members to feed in the European Commission's analysis of economic and social challenges in the national country reports.

The involvement of SGI Europe in the European Semester is also manifest in the reinforced cooperation between the Employment Committee of the EPSCO Council and EU Social partners on the state of social dialogue at national level. This cooperation is organised through dedicated meetings gathering national social partners and government representatives to discuss social partners' needs in terms of capacity building and new policy initiatives.

The EMCO also regularly invites the general secretariat of the EU Social Partners to express their positions at key moments of the European Semester shortly after the publication of the Autumn and Spring Package.

1.3 PRACTICAL GUIDELINES FOR THE NSCPS / RECOMMENDATIONS FOR NSCPS BASED ON NATIONAL MEMBERS PRACTICES

In 2021, national members of SGI Europe appointed the National Semester Contact Points (NCSPs) in 14 Member States. NCSPs are intended to 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.

To start with, in cases where Semester is not widely known internally, the organisation needs to "**do homework" and get up to speed with the latest Semester developments** and consider how Semester can further the organisation's and members' priorities. Several options for this include the following:

1. Organise training and awareness raising activities about the Semester in your organisation to raise further knowledge of the main aspects of the Semester internally.

- NSCPs could take more responsibility in their organisations to inform the leadership and colleagues about the Semester process, its contents and how it can be used as a tool to advance your organisations agenda in their countries.

- Awareness raising of the importance of these processes is critical because input into the European Semester tends to require expertise and input from different parts of your organisation, and awareness raising and capacity building in this regard can facilitate and speed up such internal consultation processes.

- Building capacity with regard to European Semester processes is particularly relevant in countries where awareness is currently low and the involvement of SGI Europe national members in the national policy processes is more limited overall. Below is an example of how SGI Europe member UNISOC in Belgium has organised internal awareness and training sessions for its members about the Semester.

REFLECTIONS FROM PRACTICE OF SGI EUROPE MEMBERS

UNISOC, Belgium: Creating awareness and understanding of the Semester process is an area of importance to UNISOC. The Semester process is often perceived as distant from members' interest. To generate awareness of the process they have worked on with the EC Representation – **with the organisation of "awareness raising" seminars**. The regular meetings/contacts with the EC also have the added value to bring the Semester process closer to the Members of UNISOC. Thanks to these contacts, informative meetings have been organised with UNISOC members, to raise awareness of the Semester process, and its implications. This aspect is important, because the Semester process is often seen as distant from the priorities of members (challenging their engagement).

2. Consider how best to use existing structures of engaging with the members to mobilise their knowledge and expertise in preparing your inputs to the Semester process and raising members' awareness of the Semester process.

The national members of SGI Europe have different approaches to work with their own members and affiliates, as shown below. What is important is to consider how existing structures to engage with the members could feed into the work on the Semester matters. This could involve:

- learning from experiences where dedicated team members are monitoring Semester developments and preparing regular reports for your members, organising meetings with EU experts,
- using existing working groups or your internal structures working on policy issues to consider also priorities raised in the Semester process.

REFLECTIONS FROM PRACTICE OF SGI EUROPE MEMBERS

Bulgaria, BICA: The priorities of the organisation are approved by the National Council /decision making body of the Association/ and are implemented by the Managing Board and secretariat through different instruments /surveys, analysis, etc. The Association's National Council – comprised of both direct and indirect members - gathers every two months to discuss different issues affecting the Association's members and develop positions that are send to the relevant ministry or national consultation forums. The same approach is followed when urgent issues need to be discussed outside the regular sessions of the National Council.

The association has specialized committees in different policy areas which discuss different issues and prepare positions. Additionally, within the BICA Secretariat, there are dedicated staff members responsible for monitoring Semester-related documents and the national and EU public consultations websites; maintaining regular contacts with the European Commission Representation in Bulgaria and other organizations and institutions; and preparing regular monitoring reports which BICA shares with its members so the latter are informed about the latest developments in their fields and can engage in the national and European social dialogue through opinions and recommendations.

Finland, Local Government and County Employers (KT): The organisation organises regular meetings at the office together with the EU-experts, for purposes of information gathering and sharing. There is a positive impact of having EU experts in the team.

In France: SGI France consults its members to get feedback on actions and on recommendations to formulate within the framework of these consultations though working meetings and regular information. During the crisis and since then, SGI France has promoted investments in SGIs in national recovery plans.

Spain, SGI Spain consults on Semester matters both through a combination of consultation of their members (and their affiliates), partners (such as organisations representing other aspects of the social economy), employers of vulnerable groups, etc. When necessary, the organisation also consults experts and academics.

In Sweden, SALAR operates with networks of members which are thematically engaged in policy topics. The international department of SALAR has a network of members, on which it draws. Moreover, there are thematic networks of members working on different policy issues of relevance to its members (some of which are relevant to the national semester processes). The model ensures a group of more involved actors, while allowing SALAR to draw on wider experience and expertise.

SALAR operates with networks of members which are thematically engaged in policy topics. There is a network, on Semester policy related issues, but also thematic networks of members working on different policy issues of relevance to its members (some of which are relevant to the national semester processes). The (continued) network structure has the advantage, that members can easily be consulted in advance of meetings with government, ensuring that SALAR's opinions are grounded in feedback from members.

The existence of thematic policy related issues also allows SALAR to draw on these networks when gathering good practices. These practices, among others also, underpins the development of SALARs contributions to the national reform programme showcasing how its members contribute to addressing the priorities outlines in the national reform programmes.

However, it is also felt that model is particular to the Nordic context, with SALAR Members having wide competencies and responsibility for policy areas. The role of SALAR needs to be seen in this context. Networks do not exist exclusively for the purpose of the semester. They form a part of SALAR's daily work with national government.

3. Next, it is important for the SGI Europe national members to strongly engage with the main stakeholders coordinating the Semester process in your country. These are foremost:

- At the central administration level, **one ministry coordinates the Semester process for the national government**. They are in charge of preparing and implementing the National Reform Programme in the Semester implementation phase. In the NRP, the national government details how the targets are being reached, which national policies will be implemented and how EU guidance has been taken into account, also according to previous CSRs.

The NRP preparation is often led and coordinated by the Economy or Finance Ministry, or Prime Minister's Office who leads the Semester process and drafting of the NRP contents, outlining the main reforms and measures to be taken, their funding, and department responsibilities. In additions, other more or less (depending on the country) significant inputs into drafting the NRP are provided by other Ministries, such as Employment and Social Affairs, Environment, Justice etc, into specific policy fields. In order to ascertain the key responsibilities at national level and the best way to get involved, it would be usually easiest to get in touch with the Government representatives that the organisation normally works with.

- The **European Commission delegation** in your country[17] is also an important actor in the Semester process and has a specific staff member allocated to oversee the process – the so-called European Semester officer (ESO). The delegation is responsible for organising fact finding missions in the national capitals and provides inputs to the country report to the EC officers in Brussels in the analysis and follow up phase.

- In most countries, **cross sector social partners** are already participating in the Semester process, so the organisation could explore with the main employer organisations or confederations potential for further involvement of your organisation via the main participating employer confederation (if that is not your organisation).

Project reflections showed that this engagement could successfully involve several actions for SGI Europe national members:

- **Get to know and make formal and informal contact with the national ministry officials and European Semester officials i**n the EC delegations in person. In the countries where there are no European Semester specific structures or the SGI Europe national members are not part of them, SGI Europe national members could take the initiative, and approach the relevant officials and thus start to build the relationships with the relevant national ministries. Similarly important is getting to know the European Semester officers in the EC delegations as they might not be aware of the SGI Europe national member. This is not only useful in and of itself, but the European Semester Officer can also help to arrange meetings with all DGs in order to meet desk officers with responsibility for the country when they come to visit to the country.

- Invite **the national ministry officials and European Semester officials i**n the EC delegations to the organisation's events, discussions, and other exchanges so that they become aware of the organisation's mission, agenda and concerns. Example from the experience of Austria below shows how regular contacts with the EC delegation in the capital can help to build relationships and promote dialogue on key organisational priorities.

REFLECTIONS FROM PRACTICE OF SGI EUROPE MEMBERS

Austria, VÖWG maintains intensive contacts especially with the staff of the EC representation in Austria with whom they are also in contact in the area of general economic policy issues (e.g. the EU Reconstruction and Resilience Facility). The exchanges and meetings are regular with the EC Delegation, across the key policy areas which VÖWG works.

Employers of Poland reported a good practice of engaging with the EC delegation in Poland. Primarily, they experienced the European Commission's promptness in initiating contact, but also the responsiveness of EC representatives is considered as one of the key success factors of the SGI involvement in the European Semester. This factor distinguishes cooperation with the Polish Government where delays in consultations are one of the main problems (see point 3). Another important aspect is the fixed standards of continuity and regularity of consultation with Employers of Poland. As pointed out during the interview, the EC representative office provided documents in sufficient time in advance, and thus the Employers of Poland could easily give their opinion on the submitted documents.

[17] See the list of EC delegations: https://ec.europa.eu/info/about-european-commission/contact/representations-member-states_en

- **Discuss and agree with the national ministry officials and European Semester officials in the EC delegations how the organisation** could participate concretely in the Semester process, at which points, which meetings and what mode (verbally / written submissions). Below is the example from Sweden how this is captured formally in a document outlining the main elements of consultation, timings, procedures and principles of engagement. It is also worth highlighting that in both Denmark and Sweden examples there are two levels of engagement, at the high political level and a more technical level to discuss the detailed positions and views, involving policy officers.

REFLECTIONS FROM PRACTICE OF SGI EUROPE MEMBERS

Denmark has a national contact committee for the Semester matters which is led by the Danish Foreign Ministry and composed by the stakeholders of the semester such local and regional government, employers associations, unions, business associations and civil society. This contact committee meets a couple of times a year. There are two tracks - a political track led by the Foreign Minister and the civil servants track.

In **Sweden,** there is a formal committee sakråd involving the main social partners on Semester matters. The processes, and organisation of sakråd was formalised in 2018 and is supported by written description of the process. [18] This description defines the participants, the purpose and frequency of meetings, and the key principles underpinning the meetings.

Key guiding elements underpinning the semester sakråd are:

- **Timeliness** – covering among other
  - The request that the agendas are send in in good time before each meeting – including specification of the purpose of the meeting as well as the main topics for discussion.
  - Preliminary dates and times for planned meetings should be notified to the parties in the autumn
  - Timeliness of circulation of underpinning documentation

- **Defined agendas** – and social partner contributions:
  - The agenda will as a minimum cover information on the implementation of the strategy; current EU related issues and other items
  - Social partners are invited (early on) to indicate if they wish to raise others in particular if this requires special preparation / special participation by the Government Offices.
  - In addition, hereto, EU Consultation meetings at the political Level (the so-called EU råd or EU consultation forum) is organized bi-annually where the Prime Minister consult the chairmen of the social partners (consultation at political level).

Finally, in addition to the above consultations, thematic consultation on EU legislative proposals, Commission recommendations or decisions and other policies initiatives are organized by government – to which SALAR takes part. These meetings may be one off or working groups may be established in areas of importance.

[18] Statsrådsberedningen, 2018-05-21, Sakråd med arbetsmarknadens parter om genomförandet av Europa 2020-strategin.

- **Build alliances with other social partners and employers' organisations**: it is worthwhile investment for your organisation to build and work together in strong alliances in the Semester process, as social partners and key stakeholders tend to be consulted by the national government and European Commission altogether. Your organisation could become pro-active in bringing together organisations that share common values and concerns of the SGI Europe national members. This could result in the joint social partner positions and contributions to the Semester process, as shown below in the examples from Belgium and Sweden. Examples from practice below indicate this could also be useful when your organisation is not an officially recognised social partner in your country.

REFLECTIONS FROM PRACTICE OF SGI EUROPE MEMBERS

In Austria, VÖWG is not an official social partner, but is in very good contact with them (partly through their membership structure). The exchange with official social partners is therefore usually very constructive, however participation in the EU semester process has so far been rather indirect. VÖWG usually puts more emphasis on lobbying at the EU level (EU legislative processes), at national level it's mostly selective work. This is also due to the RRF instrument being closely linked to it, the Semester will become more important regarding social policy, but also with a view to public investments in SGI infrastructure.

As a non-official social partners, the VÖWG does not have to be consulted by the government; however, one of the association's greatest strengths is its broad and very diverse network, which includes social partners and other advocacy organisations as well as contacts in ministries and other implementing agencies. They have been able to use and expand this network, for example, in the work on the RRF and the National Recovery and Resilience Plan.

In Belgium, UNISOC is consulted along with other social partners in the framework of the committees and each committee **issues a common opinion, which is attached to the NRP**. Social partner collaboration is generally seen as good. The CCE and the NLC committee structures is seen to provide a suitable framework for collaboration. While disagreement may occur, it is general consensual process – and there are options to provide different opinions as necessary.

In **Bulgaria, BICA** revealed a very good **dialogue and cooperation between the employers' organisations and the trade unions on a range of issues**. According to BICA, with the exception of few areas of disagreement, including the tax system and the way in which the minimum wage is determined, most of the priorities of both employers' organisations and trade unions overlap. Examples of common priorities include the need for speeding up the administrative reform and improving the business environment, the wellbeing of the labour force, combatting the informal economy, monopolies, and cartels, as well as the accession of Bulgaria to the Eurozone, the Schengen Area and the Organisation for Economic Co-operation and Development. Moreover, BICA and the trade unions have been jointly implementing a number of initiatives aimed to tackle issues of common interest, such as improving the business environment.

In **Sweden,** the social partners are invited to contribute to the National Reform Programme (NRP). The NCP appendix contain contains contributions from the social partners. SALAR provides two contributions. The first contribution provided is for their statute as a social partner alongside labour market organizations in Sweden (including SALAR), and the second contribution as the representative of the local and regional level.

The second contribution from SALAR describes examples of the work the partners are carrying out in accordance with the strategy guidelines and objectives, illustrating how regional and local projects which helps delivering the 2020 strategy.

The fact that **social partners provide a single NRP contribution** is considered a success story. Joint social partner contribution to the NRP each year built on mutual trust and co-operation (incl. on past collective agreements) and tradition for consensus – reflecting the Swedish/Nordic social model of collaboration (incl. high organisation rate of both employers and employees – but also past successes in the social dialogue in a national context).

While this social dialogue model cannot easily be duplicated, interviewees nevertheless note that collective action of social partners towards government can play a key role for consultation processes.

The Polish model is referred to in this context where the social partners made a collective request for structured involvement in the Semester process – with success.

4. Ultimately, SGI Europe national members could use the existing Semester process more actively to consider how best to use the process to ensure your views are heard by the national government in the adoption of key reforms and making of political choices:

- To take a step back, the organisation could concretely **find 1-2 problems in the top organisational priorities where they could work with other key players in the country** and agree on the common problems and common solutions and use a joint approach in the European Semester process towards the national government. The example of the digitalisation, public sector efficiency challenges and available solutions were mentioned in this respect as core issues facing many SGI Europe national members in many European countries.
- To take a step forward, the organisation could consider what **key challenges should be addressed in the European Semester process over the next 1-3 years** also in the context in the National Recovery and Resilience Plans. The organisation could use this analysis to influence the reform agenda in their countries for example through participating in the Monitoring Committees in the NRRPs. Below is an example from SGI Spain which has the policy focus on promoting social economy and through constant focus on the social economy issues achieved influence on the government's approach.

REFLECTIONS FROM PRACTICE OF SGI EUROPE MEMBERS

Spain, SGI Spain has achieved considerable impact through their systematic participation in the fora set by the national authorities, and through a constant contact with the Ministries involved in the process (both from an economic, finance, and employment perspectives). As a result, Spain's reform processes and contributions to European Semester systematically recognizes the value of the social economy and social economy enterprises as a fundamental component of Spain's economy.

The overall aim should not be only involved in one-off Semester consultations, but to build strong structured dialogue platforms, where 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.

SGI Europe national members could also get further involved in the particular points of Semester process over the annual cycle of the Semester.

1.4 HOW TO PARTICIPATE IN THE PREPARATION PHASE (NOVEMBER – MARCH)

This is an important phase for **influencing the country reports prepared by the EC** and subsequently the contents of the Annual Sustainable Growth Survey, Joint Employment Report and Alert Mechanism Report.

For each country, in February, the European Commission publishes **country reports** which provide an assessment of the country's progress what remaining / new reform priorities are emerging for each Member State. The reports cover all areas of macroeconomic or social importance and take stock of the country's budgetary situation. The Commission's assessment is based on the joint analysis of an interdisciplinary team of country analysts of all relevant measures that the country has taken or announced, cross checked against a horizontal assessment framework per policy area. As the reform progress is often not directly measurable and the scope of challenges differs across countries, the progress assessment is mostly qualitative. They also assess the progress made by each EU country in addressing the issues identified in the previous year's EU recommendations.

Prior to drafting country reports in February, in December-January, the Commission conducts **fact-finding missions in the Member States** to understand the national situation. Here, the organisation could provide their inputs to influence the Commission's analysis of country reports through:

- Request, via the EC delegation Semester officer, **bilateral meetings** with the fact-finding missions of the EC to the capitals and **presenting the concerns and analysis** of organisation's analysis on the core reform priorities.
- Identify the core **reform priorities** from the organisation's perspective and **communicating them to the EC fact-finding missions** so that Country Specific Recommendations reflect also the priorities of the organisation.
- When the **country report** is issued, it is **presented to the stakeholders** in the capital by the EC. The organisation could participate in such meetings discussing the country report and sharing their views on the analysis presented. This is important as it can have budgetary as well as policy implications for the sectors covered in the organisation.
- Once country reports are available, NSCPs could use their conclusions as a basis for **further discussions with the central government in the Implementation phase** below. Country reports are a useful information source providing a clear direction and an outside view of which national priorities are key and thus helps to reflect on the reform process.

Examples below show concrete examples of how national members use their interactions with the EC staff in the Semester process to voice your concerns at the official EC meetings, providing background and your views to the EC staff and thus informing them about the latest developments in the policy fields covered by your organisation.

REFLECTIONS FROM PRACTICE OF SGI EUROPE MEMBERS

In Belgium, the key points of contacts at EU level are concentrated around the annual meetings with the ESOs from the EC Representation in Belgium. These annual meetings are organised in preparation of the drafting of the country specific recommendations. At these meetings the full National Social Council is invited and UNISOC participates as one of the 26 designated members of the Council.

Contacts are seen to be good. While meetings are principally focused on information provision, meetings are seen as a key moment allowing the Belgian social partners and UNISOC to provide background, and evidence providing the EC with a more nuanced picture of the Belgian context (issues and challenges in the Belgian context, but also specificities of Belgium, such as the nature of social enterprises, and the private sector context of these). In this way, social partners and UNISOC influence the nature of the country specific recommendations.

In Sweden, SALAR engages with the Commission Representation (ESO). There are also fact-finding missions/meetings with the Swedish desks in Brussels. Consultation with EC staff has been initiated from Brussels, rather than from the EC's Representation in Stockholm. It is though such contacts that consultation with the EC's Representation in Stockholm has been developed (with the EC Representation tending to focus on private sector social partners not providing adequate weight to SALAR as a representative organ for local and regional employers in Sweden). As such the process has not been strategically coordinated from Stockholm.

1.5 HOW TO PARTICIPATE IN THE IMPLEMENTATION PHASE (APRIL - JULY)

In the implementation phase, in April, the Member State national governments submit to the Commission **their National Reform Programmes**. They set out how the targets of the EU strategies are being reached at the national level, which national policies will be implemented and how the EU guidance has been taken into account. The Commission assesses the plans and proposes how the Council should vote on them.

In May, the European Commission and the European Council provides country-specific policy advice on general economic policy and budget policy in the form of **Country Specific Recommendations** which should provide the focus for national level reforms. The recommendations are a set of actions for each Member State to take, according to its economic and social performance during the previous year and to the delivery of priorities set out in the AGS. The CSRs are proposed by the Commission based on an assessment of the challenges, risks and policy gaps in the country concerned.

Here, the organisation could influence the central government in the process of drafting the National Reform Programmes and choosing how to respond to the Country Specific Recommendations through:

- **Participate in the existing dialogue structures on the drafting of National Reform Programmes** – bilateral and multilateral social partner meetings, specific Semester structures and other existing dialogue structures - to discuss the draft contents and directions of the NRP.

Examples below show this could happen in practice – in the regular meetings at the key Semester points, by making your contribution and your views heard.

REFLECTIONS FROM PRACTICE OF SGI EUROPE MEMBERS

In **Belgium**, as an employer organisation, UNISOC SGI Europe member in Belgium is recognised as an official social partner in the national social dialogue and collective bargaining negotiations. It participates to this end as a member **in the Central Economic Council and the National Work Council at the federal level** (with the Director of UNISOC being one of the 26 members of the Labour Market Council[19]). These councils play a key role in the European Semester consultation processes. The CCE and the NLC are also invited make a contribution each year to the NRP, a contribution which is attached, as annex to the NRP. Consultation with NLC and CCE (including UNISOC) is organised by the national government twice a year:

- in relation to the country specific recommendations (mostly for information purposes)
- in preparation of the NRP (a few weeks before finalisation).

In **Sweden**, there is a formalized cyclical process covering stakeholder/social partner involvement in the Semester process. There is a specific sakråd dealing with the Semester process, involving the social partners. The semester process sakråd holds meetings for discussions and consultations on the implementation of the strategy in Sweden (and institutional/technical level). The social partners involved are, besides SALAR:

- The Confederation of Swedish Enterprise,
- The Swedish Trade Union Confederation (LO),
- The Swedish Confederation of Professional Employees (TCO)
- The Swedish Confederation of Professional Associations (SACO),
- The Swedish Agency for Government Employers,
- The Swedish Federation of Business Owners.

At technical level, the following three meetings are organized:

- Spring meeting on the National Reform Programme
- Summer meeting on the Commission's proposed country-specific recommendations
- Autumn meeting on the Swedish Budget proposal/NRP.

The following purposes and timelines of the meetings are defined:

[19] http://www.cnt-nar.be/Qui-sommes-nous.htm

TABLE 1:
OVERVIEW OF KEY MEETINGS, PURPOSE, AND TIMELINE

Meeting	Spring meeting on the National Reform Programme	Summer meeting on the Commission's proposed country-specific recommendations	Autumn meeting on Swedish Budget proposal/ NRP
Timeline	February / March (when the national report for Sweden has been published and in connection with the start of work on the NRP).	May / June (in connection with the EC proposing CSR	November. (After the national budget plan is presented in and in close connection with the EC's presenting the annual growth overview
Purpose	to discuss the EC's country report for Sweden, Tto discuss the work of the NRP and presentation of the implementation of the strategy and the social partners contribution to this work.	To discuss the CSRs to Sweden and how Sweden can respond to the recommendations to discuss the strategy objectives in the Swedish the budget work.	To discuss the national budget plan/ national policy programme and consistency with the CSR to discuss the EC's proposals for economic policy priorities in the Annual Growth Survey

Source: Statsrådsberedningen, 2018-05-21, Sakråd med arbetsmarknadens parter om genomförandet av Europa 2020-strategin.

- **Review the CSRs issued for the country** by the European Commission, highlight gaps and potentially challenging policy suggestions, as well as positive elements.

- **Provide written submissions on how the National Reform Programmes should reflect the priorities of the organisation.**

When preparing a submission or contribution, it is important to stimulate debate within organisations and preferably across the social partners in the country, analysing the national context and developing a common position together.

This could mean preparing briefing notes on the NRP content and the processes and making sure that all relevant parties are involved in developing the key messages your organisations are trying to jointly put forward. This could involve analysing the current situation in the country (reflecting the organisational priorities), looking at key anticipated trends and the impact of policy decisions of the Semester so far, and building consensus on the main policy changes the organisation think are necessary to be included in the Semester process.

REFLECTIONS FROM PRACTICE OF SGI EUROPE MEMBERS

Belgium: reflecting the structural set-up in Belgium, UNISOC is consulted on the NRP along with other social partners in the framework of the Central Economic Council and the National Work Council focussed on labour matters at the federal level (UNISOC is member of both councils). This contrasts with the existing structure in France, where SGI France participates in the national France Strategy Agency. Here, overall economic and social priorities are discussed, which are close to the EU priorities and targets.

In Belgium, social partner collaboration is generally seen as good.

Each committee issues a common opinion, which is attached to the NRP. The CCE and the NLC committee structures is seen to provide a suitable framework for collaboration. While disagreement may occur, it is general consensual process – and there are options to provide different opinions as necessary.

The contribution is composed by common sections covering collaboration with the federal government, the European Commission, and two specific sections, each covering a contribution from each of the councils. The contribution from the National Work Council aims at exposing the main points of the already existing social partner agreement, their implementation as well as other work carried out by the social partners at cross-industry level which are linked to the CSRs or, more broadly, which are related to the European Semester.

- **Consider how the commitments of National Reform Programmes and responses to the Country Specific Recommendations could affect the organisation and the members.**

1.6 HOW TO PARTICIPATE IN THE ANALYSIS AND FOLLOW-UP PHASE (AUGUST - OCTOBER)

In this phase, the central governments are working to implement the National Reform Programmes and preparing the **draft budgetary plans** for the next year. The organisation could provide inputs into this process through existing dialogue and communication channels and are indeed likely to be responsible for the implementation of some reforms. The European Commission is preparing its analysis for the country reports and the organisation could provide their inputs into this process through contacts with the Semester officers in the EC delegation.

PART II
KEY POLICY PRIORITIES FOR SGI EUROPE MEMBERS IN THE EUROPEAN SEMESTER

In this Part, SGI Europe members are provided with information on how their key policy priorities are reflected in the core processes of the European Semester, starting with the Recovery and Resilience Facility (section 2.1), and continuing with the policy framework outlined in the Autumn and Spring Packages of the European Semester (sections 2.2. and section 2.3 respectively). The information is based on the latest 2021-2022 Semester cycle.

2.1 THE KEY REFORMS RELEVANT TO THE SGI EUROPE MEMBERS IN THE RECOVERY AND RESILIENCE FACILITY (RRF)[20]

2.1.1 KEY FEATURES OF THE 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.

To benefit from the support of the Facility, Member States have submitted their recovery and resilience plans to the European Commission. Each plan set out the reforms and investments to be implemented by end-2026 and Member States receive financing up to a previously agreed allocation.

Each plan should effectively address challenges identified in the European Semester, particularly the country-specific recommendations of 2019 and 2020 adopted by the Council. It should also advance the green and digital transitions and make Member States' economies and societies more resilient to the current and future challenges.

For some SGI Europe member countries, RRF represents a significant source of financing reform priorities – such as Greece or Italy.

FIGURE 4:
PROPORTION OF RRF FUNDING IN THE NATIONAL GDP

Country	% of GDP
Austria	0.87%
Belgium	1.24%
Denmark	0.5%
France	1.62%
Finland	0.89%
Germany	0.74%
Greece	**16.63%**
Italy	**10.67%**
Malta	**2.25%**
Portugal	**7.75%**
Spain	**5.59%**
Sweden	0.69%

Source: EC.[21]

[20] The key resources on RRF are:
RRF scoreboard - Recovery and Resilience Scoreboard (europa.eu)
Member State dedicated pages - Recovery and Resilience Facility | European Commission (europa.eu)
First annual implementation report (EU level picture) - Recovery and Resilience Facility Annual Report | European Commission (europa.eu)
[21] Recovery and Resilience Facility Annual Report | European Commission (europa.eu)

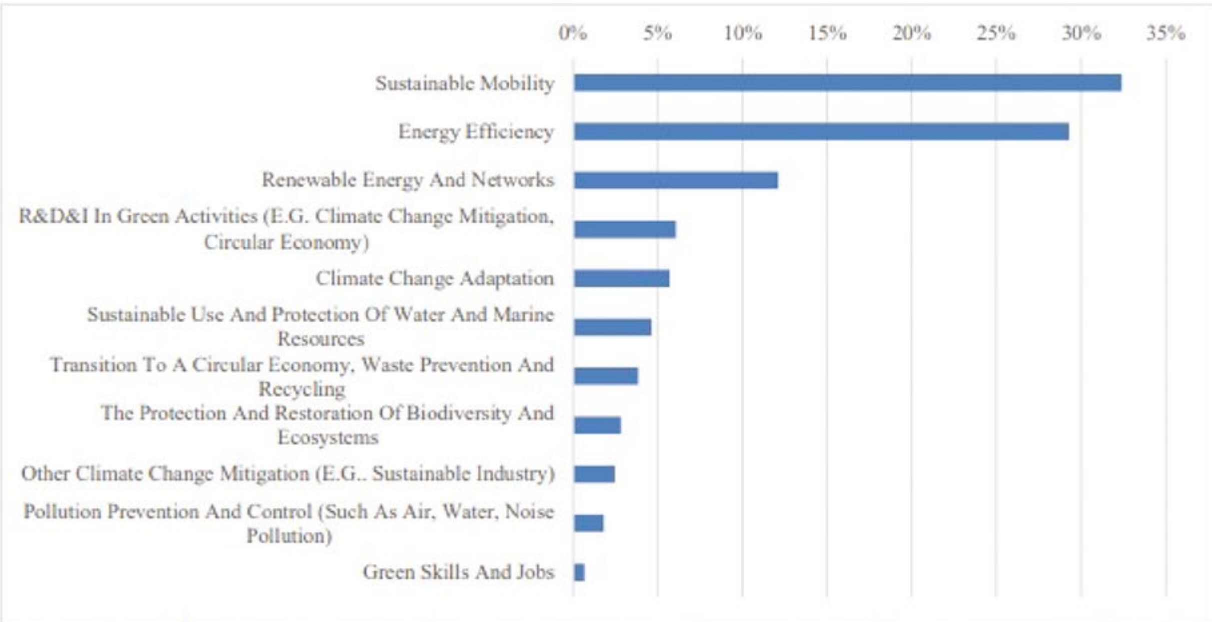
The RRF is a unique EU instrument in that its payments are **performance based**. Once national RRP is approved, the EU pays up to 13% as an upfront payment, and then regular payments are provided to the Member State governments each year upon reaching agreed milestones and targets by Member State. The country level targets, milestones, and progress is show in the **RRF Scoreboard, where SGI Europe members can access information about the progress for their country.** [22]

2.1.2 THEMATIC PILLARS IN THE RRF AND KEY POLICY PRIORITIES FOR THE SGI EUROPE MEMBERSHIP

The RRF has thematic structure of six pillars, with a conditionality that each Member States must allocate 37% of RRF funding to climate objectives; 20% to digital objectives.

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 (see Figure 5). Key to SGI Europe members is high level of investment dedicated to the mobility and energy efficiency, reflecting the representation of energy and transport sectors amongst SGI Europe members. Concrete examples of national reforms / investments include Germany's giving financial support to buy 560,000 decarbonised vehicles; Spain, Belgium: funding to efficient renovation of buildings; Belgium will support the minimisation of radioactive waste generated during the decommissioning of the Belgian nuclear power plants.

FIGURE 5:
THE DISTRIBUTION OF THE GREEN TRANSITION FUNDING BY SPECIFIC PRIORITY



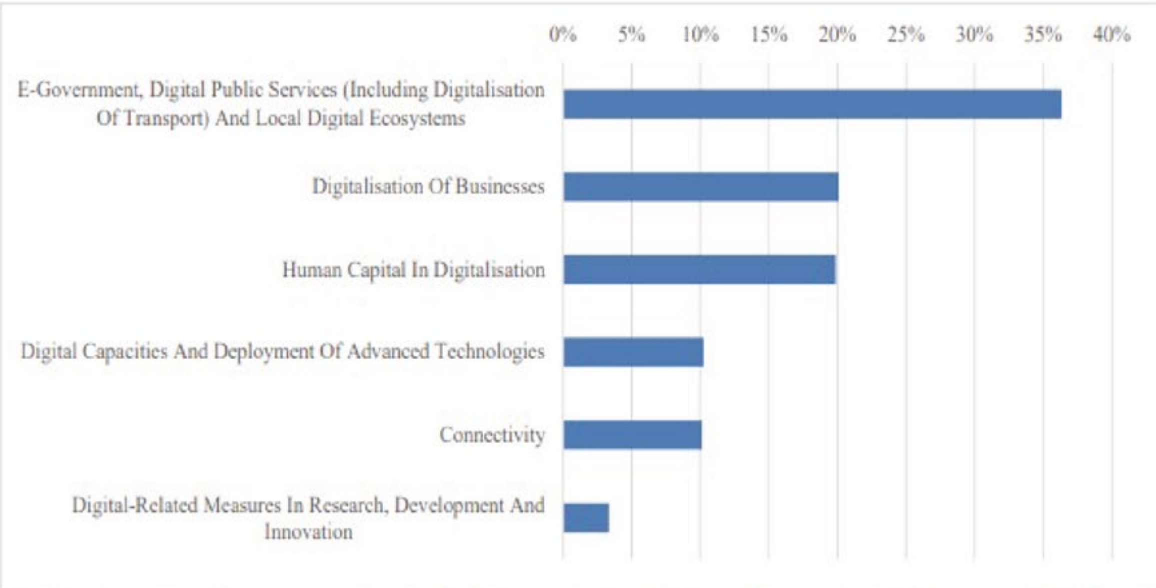
This chart shows a breakdown of the estimated contribution to the policy pillar according to a list of policy areas established by the European Commission. The percentage relates to the overall expenditure tagged under each policy area as a share of the green transition pillar.

Source: EC.[23]

[22] Recovery and Resilience Scoreboard (europa.eu)
[23] Recovery and Resilience Facility Annual Report | European Commission (europa.eu)

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 (see Figure 5). Key to SGI Europe members is financial support to the development of human capital digital skills, as well as digitalisation of businesses and public services. Concrete examples of national reforms / investments include Greece providing digital transformation of public entities, wide-ranging cybersecurity and data governance strategies as well as an extended use of advanced technologies, such as cloud computing and big data, Portugal: "Digital Academy" tailored training to the Portuguese workforce to increase the number of digitally skilled workers, a total of 800 000 participants or Germany will implement the Online Access Act and the modernisation of registers, which are expected to reduce the administrative burden.

FIGURE 6:
THE DISTRIBUTION OF THE DIGITAL TRANSITION FUNDING BY SPECIFIC PRIORITY



This chart shows a breakdown of the estimated contribution to the policy pillar according to a list of policy areas established by the European Commission. The percentage relates to the overall expenditure tagged under each policy area as a share of the digital transformation pillar.

Pillar 3 smart, sustainable and inclusive growth includes more than a thousand measures of the 22 RRPs, for a total of around EUR 223 billion. It supports very diverse areas, from support to SMEs to research and development and innovation, to reforms to improve the business environment or competitiveness. They also cover large investments to support smart, sustainable growth such as Spain's support to digitalisation and innovation (EUR 3 billion), Italy's Transizione 4.0 (EUR 10.8 billion), Portugal's capitalisation of its national promotional bank Banco Nacional de Fomento (EUR 1.5 billion). In addition, it covers a broad spectrum of reforms notably in core areas of the Single Market, like regulated professions (Portugal, Croatia), intellectual property (Italy, Greece) and public procurement (Italy, Greece, Slovakia, Slovenia, Romania and Latvia). These are of key importance to SGI Europe members.

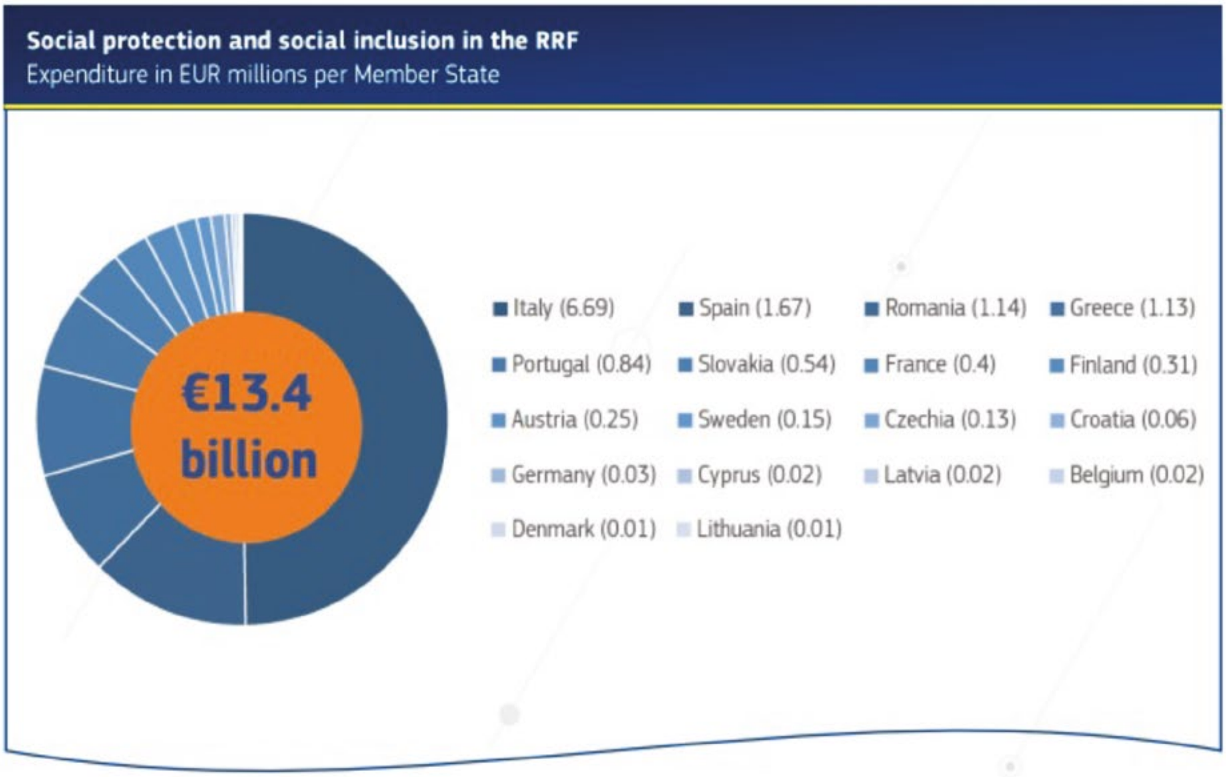
[24] Recovery and Resilience Facility Annual Report | European Commission (europa.eu)

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. But there are also investments foreseen to make active labour market policies more effective, increase the capacity of public employment services and support the labour market participation of women and disadvantaged groups, as well as to enhance social resilience by investing in healthcare and better access to services, including early childhood education and care, long-term care and social housing.

Within Pillar 4, an important priority for SGI Europe members is **investments foreseen for social protection, inclusion, social housing and social infrastructure, with an envelope EUR 27 billion**. Focus is on the effectiveness, quality and resilience of social protection systems, based on the 2019/2020 CSRs. The country level allocations to this strand are shown below, with especially significant amounts allocated in the SGI Europe member countries such as Italy, Spain, Greece and Portugal.

FIGURE 7:

RRF FUNDING TO THE SOCIAL PROTECTION AND SOCIAL INCLUSION, PER MEMBER STATE



Note: This chart shows estimated expenditure based on the pillar tagging methodology for the Recovery and Resilience Scoreboard and corresponds to the measures allocated to the policy area "Social Protection, including Social Services and Integration of Vulnerable Groups" as primary or secondary policy areas.

Source: EC thematic paper, "Social Protection".[25]

[25] scoreboard_thematic_analysis_social_protection.pdf (europa.eu)

The majority of social protection investments under the RRF relate to upgrading, expanding or improving the social services network and facilities provided by public and private social institutions. They also include specific measures addressing, for instance, the inclusion of people with disabilities, increasing the adequacy and sustainability of social benefits, and improving the living conditions of elderly people in need of care. A number of Member States also include important investments to increase the supply of social housing and social infrastructure to vulnerable groups. Some Member States also

committed to the reform of the minimum income (to expand such schemes) and pension systems to increase their adequacy and sustainability (improve the link to the period of contributions, include self-employed, atypical workers, early retirement schemes, improve transparency and information).

As an example, Portugal has committed to a 'Support Programme for Access to Housing' which is an investment to safeguard decent and adequate housing for families with the greatest needs and for the most vulnerable groups, with the objective to mostly support social housing accommodation for at least 26 000 households in need by 2026.

In Spain, RRF is supporting 30 social economy projects by 2023 to digitalise, provide capacity building, consolidate existing social economy entities. In Italy, single points of access are planned for older people for social and health services, improving the identification of multidimensional support needs.

Another important policy priority **funded in Pillar 4 is measures supporting employment and the modernisation of labour market institutions, with EUR 11.3 billion**. As an example, Italy will make an investment to support women's participation in the labour market, in particular by investing in childcare facilities and supporting women's entrepreneurship - foster the creation and expansion of innovative business projects, provide mentoring and training opportunities, and communication actions.

Also in Pillar 4 are 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). This includes measures to improve access to quality education and training at all levels, digital education including upskilling and reskilling for working-age adults to ensure that they can thrive in a fast-changing environment and fully benefit from the green and digital transitions.

As examples, in France, the RRF will fund the FNE-Training scheme to help companies to invest in training for employees in partial employment, benefitting both the employee, enhancing his employability, and the company, improving its competitiveness.

In Greece, the RRF will fund horizontal upskilling programmes in digital skills, green skills and financial literacy for over half a million beneficiaries in total will support the employability of the Greek workforce in the green and digital transition. The investment will be preceded by a reform of the life-long learning system that will ensure high quality and labour market relevance of trainings.

Pillar 5 Healthcare and Resilience has an allocation of EUR 78 billion. 15 RRPs include measures related to long-term care (LTC), and 43 measures approximately EUR 4.2 billion (EU's Care strategy).

As an example, in Finland, the RRF will support implementation of the 2021 social welfare and health care reform, including establishment of new regional welfare areas. The FI plan also includes investments that contribute to the implementation of the 'care guarantee' legislation that defines maximum waiting times for hospital and primary care services, including mental health services. Furthermore, the plan aims to improve the 'treatment guarantee' legislation that defines maximum waiting times for access to non-urgent treatments, and to strengthen the knowledge base that supports the cost-effectiveness of healthcare. It also introduces digital innovations that promote the care guarantee as well as a customer-oriented digital care information system in Åland.

Pillar 6 Policies for the next generation is the smallest, with 11% of RRF, EUR 49 billion to the reforms and investments into education system, early school education and youth employment support.

2.1.3 NATIONAL RECOVERY AND RESILIENCE PLANS – POLICY PRIORITIES FOR SGI EUROPE MEMBERS

Each national recovery and resilience plan is available in the public domain, setting out the particular priorities for investments and reforms in the SGI Europe membership.[26]

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

Policy reforms in the labour market and skills

In the labour market area, 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.

Details on individual NRRPs are provided below.

In **Belgium NRRP**, its fifth axis seeks to strengthen smart and sustainable growth by improving labour market functioning, the competitiveness of businesses by supporting research and innovation, and the circular economy, especially for businesses (Axis 5). Component 5.1 'Labour market and training' aims to increase the employment rate while ensuring an inclusive labour market, with measures focused on **skills acquisition** in line with current and future labour market needs, including the green and digital transition. The plan refers to the preparation of a broad tax reform that notably aims at **reducing labour taxation**. Labour market participation is to be stimulated through **training, activation and coaching**. Component 5.2 'Supporting the economy' supports **research and innovation** to develop the country's future economic potential, and foster the development of activities that offer promising opportunities in terms of added-value creation. In addition, it supports the implementation of efficient production processes based on emerging technologies and the transition to a shorter, more sustainable food chain.

In **Finland NRRP**, Component (P3C1 – Employment and labour market, €170 million) aims to raise the employment rate and strengthen the functioning of the labour market. This will be done by increasing the **effectiveness of the public employment services** in providing job-seeking support: €90 million to the reform of the Public Employment Services to increase the employment rate. This shall be done through a structural reform and digitalisation of the public employment services ("Nordic Employment model"). The application of the new model is expected to contribute to the employment of around 10,000 persons. Also, **activating older people through** abolition of additional days of unemployment benefit is planned.

In **France NRRP**, Component 8: Employment, Youth, Disability, Professional training, EUR 8.8 billion, includes **a variety of measures relating to employment, supporting youth, persons with disabilities**. Reforms are planned in relation to the unemployment insurance reform, the partial activity, the restructuring of the Pôle emploi offer and cccupational health and safety reform. Investments are planned to the FNE-formation, Reinforcement of the ProA scheme (promotion or retraining through work-linked training), aid to employers of apprentices, aid to employers of professionalization contracts, aid for the recruitment of young people under 26 years of age and strengthening of Pôle emploi's resources.

In Germany NRRP, Component 4.1 Strengthening social inclusion includes two measures with considerable impact: **Apprenticeship support** (4.1.3) provides vital support for apprenticeship contracts during the pandemic-related shock, and the Investment programme 'Childcare-financing 2020/21': special fund '**Child Day-care Expansion'** (4.1.1) contributes to 90 000 new childcare places.

[26] Recovery and Resilience Facility | European Commission (europa.eu)

In addition, without asking for funding, Germany commits to putting a temporary ceiling to social security contributions at 40% in the Social Guarantee 2021 (4.1.2) and to Educational support for students with a learning backlog (4.1.4).

In **Greece NRRP,** Component 3.1 (Increasing job creation and participation in the labour market, EUR 776 million)) introduces labour market policy reforms to enhance job creation, improve job quality, strengthen economic and social resilience, promote labour market inclusion, and reduce inequalities, poverty and exclusion. In this respect, the proposed programmes provide **subsidies for private sector employment, some of them combined with training**, and target the most vulnerable segments of the labour force. Increase in the number of staff of the **public employment service is** expected to facilitate individualized approach to jobseekers. These reforms are complemented by passive labour market policies, including an incentives-compatible framework of unemployment benefits to disincentivise inactivity, and encourage employment-enhancing participation in upskilling and reskilling programmes.

In Italy NRRP, Mission 5, Component M5C1 centers on **ALMPs, strengthening of public employment services, upskilling and reskilling initiatives.** The envisaged actions mainly focus on gender equality (women's enterprises and the gender equality certification system) and on young people, (the dual apprenticeship system and the universal civil service). A reform to tackle undeclared work is also outlined. Component M5C2 is aimed at **social inclusion with actions targeted towards vulnerable and disadvantaged groups, such as people with disabilities and or the elderly**. It addresses major social vulnerabilities in terms of material poverty and housing deprivation, and it acknowledges the importance of urban regeneration and sport to foster social inclusion and integration.

In **its NRRP, Malta** has rolled out several measures to safeguard jobs. **The Wage Supplement Scheme**, which is similar to a short-time working scheme, has been the most important measure. Nevertheless, the plan does not envisage anchoring the scheme in legislation. Ambitious investments and reforms for the renovation of buildings envisaged under Component 1 have the potential to boost job creation and support the development of green skills for the renovation and construction sector. Support for the digitalisation of the private sector under Component 3 is also likely to create job opportunities in ICT. Component 5 envisages assessing and periodically monitoring the adequacy and coverage of **unemployment benefits** in Malta to ensure effective access to them. Furthermore, implementation of the measures in the newly adopted Employment Strategy concerning at least (i) older workers (aged 55-64); (ii) low-skilled adults; and (iii) the gender employment gap is expected to make the labour market more resilient.

In **Sweden NRRP**, there are measures aiming at **re- and up-skilling both** foreign and Swedish-born as well as increasing study places and resources of higher educational institutions will contribute to a competitive labour force with higher transition probabilities into and between jobs and thus foster social resilience (component 2). Transition into employment will also be fostered through the reform and modernisation of the **employment protection legislation** (component 2). Measures aimed at timely addressing the impact of changing demographics, in particular the elderly care initiative and the pension age adjustment, will also contribute to economic and social resilience (component 3).

Policy reforms in the area of social protection

A number of 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.

Details on individual NRRPs are provided below.

Austria NRRP, Subcomponent 1.A Renovation wave contains a reform measure 'Renewable Heat Act', and two investments, 'Promoting the exchange of oil and gas heating systems' with a focus on reducing the use of fossil resources for heating purposes and 'Combating energy poverty' seeking to minimise the social cost of green policies. They all promote the transition to **more sustainable heating**, **while supporting low-income households** in this transition in order to strengthen social cohesion. Subcomponent 4.B Resilient municipalities contains two reform measures: a new 'Soil Strategy' and a 'Reform to further develop care provision'. It includes investments on 'Climate-fit town centres' and 'Investment for the **implementation of community nursing'**. The plan includes four measures related to **pensions:** (i) Introduction of the early starter bonus (Frühstarterbonus, 4.D.2); (ii) Abolishment of the deduction-free early retirement after 45 contribution years (Hacklerregelung, 4.D.2); (iii) Postponement of first pension increase (Aliquotierung, 4.D.2); and (iv) Pension splitting (4.D.3). The pension splitting contributes to narrowing the gender pension gap, a long-recognised challenge in Austria.

In Belgium NRRP, Component 4.3 Social infrastructure addresses the **lack of social housing** for most vulnerable groups and increase **early childcare** provision, in particular for vulnerable households, the renovation and construction of social housing and childcare. Component 4.4 End of career and pensions reforming **the pension system** and end of careers, with a view to increasing the activity and employment rate of older workers. COM assessment: For several of the proposed reforms, like the pension reform, further information on their design and implementation strategy would be needed to fully assess their potential for achieving lasting improvements.

In **Bulgaria NRRP**, Component 11: Social inclusion (EUR 440.4 million) aims to foster social inclusion by **improving social protection and service provision**, encompassing a reform of the minimum income scheme to improve its coverage and adequacy and the development of new tools for the Social Assistance Agency and for the Employment Agency, which are expected to move forward the integration of employment and social services. Bulgaria NRRP contains measures to reform **long-term care provision in Bulgaria**, support the provision of assisting devices to people with disabilities and promote the social economy and cultural and creative sectors.

In Denmark NRRP, new initiatives strengthening the resilience of the **healthcare systems** in Denmark. This includes investments in infrastructure to ensure critical medical supplies and in IT solutions so as to maintain broad access to healthcare.

In France NRRP, Component 9 foresees investments in health (EUR 6 billion), research and education (EUR 1.2 billion) and support to local territories (EUR 500 million) that serve to further strengthen social and territorial cohesion. Flagship measures include a EUR 2.5 billion investment in the **health system**, where a generally high indebtedness is weighing on health institutions' ability to invest. Part of the investment is allocated specifically at the regional level, by regional health agencies (ARS). The investments support the modernisation of the health system, e.g. by allowing for the renovation of buildings, and serve to improve the resilience and quality of care, e.g. by supporting the integration of hospital and outpatient care or by ensuring the availability of proper equipment. EUR 1.5 billion is invested in the renovation of residential care homes for the elderly (EHPAD), e.g. to improve the private facilities available to residents and to create spaces for accommodating residents with cognitive difficulties (such as sensory stimulation rooms).

In Germany NRRP, one of the measures is to create a **pension information portal**.

Malta NRRP, Component 4, Health, introduces reforms to develop and implement **a health policy framework** aimed at making the health system more sustainable and resilient, with a particular focus on health prevention and a strong workforce. Investments are foreseen to enhancing the resilience of the health system through digitalisation and new technologies including investments at the new outpatient facility, digitalisation of the pathology function and improved radiotherapy delivery to the benefit of patients. Component 5 envisages assessing and periodically monitoring the adequacy and coverage of **unemployment benefits** in Malta to ensure effective access to them and ensuring the sustainability of **Malta's pension system.**

In Portugal NRRP, the main objectives of the component 3 Social Responses are: i) improving the **social care facilities** and ensuring better territorial coverage; ii) strengthening and expanding the network of social responses with innovative solutions and pilot projects and interventions; iii) developing novel community-based support responses. The component includes 4 reforms and 6 investments, for a total estimated cost of EUR 833 million. The examples of reforms include the Reform of Social Equipment and Services and the adoption of the National Strategy to Combat Poverty 2021-2030. Examples of investments is the New Generation of Social Equipment and Services (€417 million).

In Spain NRRP, Component 22: Care economy, equality and inclusion introduces a reform of **family support** aims at improving protection and material support (in cash and in kind) for families, with a view to reducing child poverty. With one of the highest rates of child poverty in the EU and one of the lowest levels of support for families, Spain commits to improve the coverage of benefits for children that were not sufficiently protected through a new law on family protection. Spain will also carry out a comprehensive reform of the tax system, which will include a review of its distributional impact for families with children. **The Action Plan for the Care Economy** also include reforms and investments that are designed to strengthen long-term care. The actions are geared towards promoting deinstitutionalisation, including investment in community care and home care solutions, but also include upgrading of institutional care, in line with the UN Convention on the Rights of Persons with Disabilities. Component 30: **A reform of the pension regime** is expected to improve the sustainability and adequacy of pensions. The main objective of the pension reform to be agreed in the context of social dialogue is to maintain the purchasing power of pensioners over time, while preserving the long-term sustainability of the pension system.

In **Sweden NRRP**, the plan allocates €452 million to improving **elderly care** by upskilling and training of staff working in elderly care centres; €296 million to increasing the supply of new rental dwellings with a lower rent to relief the h**ousing shortage**. A reform gradually increases the average retirement age to improve further the sustainability of the **public pension system**.

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

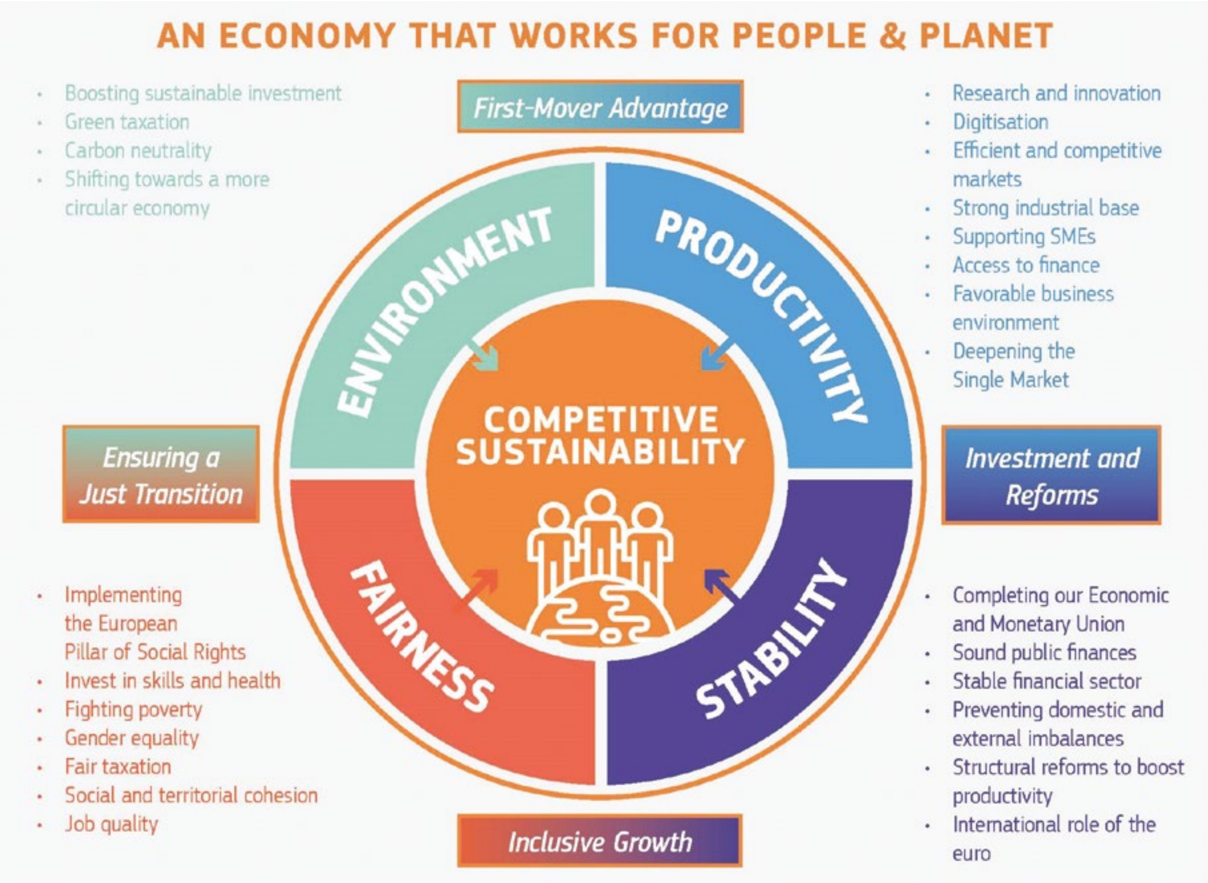
In the Autumn Package, two policy documents are key to SGI Europe members – the Annual Sustainable Growth Survey and the Joint Employment Report.

2.2.1 THE ANNUAL SUSTAINABLE GROWTH SURVEY

The Annual Sustainable Growth Survey (ASGS)[27] 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). Since 2020, the ASGS has been structured around the four dimensions of "competitive sustainability", reflecting the dimensions Productivity, Stability, Fairness and Environment. Within each Dimension, the key priorities for the EU are identified, which provide policy pointers to the ASGS analysis. The concept of competitive sustainability is also used in the RRF context (for example, in the first RRF implementation report).

[27] 2022_european_semester_annual_sustainable_growth_survey.pdf (europa.eu)

FIGURE 7:
THE CONCEPT OF COMPETITIVE SUSTAINABILITY USED IN THE ASGS



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.

TABLE 2:
FAIRNESS DIMENSION AND ITS RELEVANCE TO SGI EUROPE MEMBERS

Reform priorities outlined SGI perspective	% of GDP
A mix of reforms to boost productivity growth	SGIs affected by trends as major employers in their countries SGIs can benefit from well designed labour market policies to attract and retain their workers
Improve the capacity to manage transitions (also resulting from green and digital transformations) and labour shortages	
Calls for well-designed and effective active labour market policies, coupled with appropriate support by public employment services and social protection systems	
Calls for measures to address the employment of youth, women, people with disabilities and address workforce ageing (EASE Recommendation)	
Implementing the European Pillar of Social Rights	

The ASGS 2022 restated the link between the European Semester and the RRF. European Semester will remain the overall EU framework for the coordination of economic, employment and social policies (also the analytical underpinnings to help identify the relevant policy challenges, set policy priorities, provide policy guidance and ensure policy surveillance and monitoring). Recovery and resilience plans will help Member States to implement and deliver on a substantial set of existing country-specific recommendations - RRF will underpin the Semester implementation.

ASGS 2022 also highlighted the role of social partners and other stakeholders in the Semester and RRF, calling for their timely and meaningful involvement.

2.2.2 THE JOINT EMPLOYMENT REPORT, THE SOCIAL SCOREBOARD, THE EUROPEAN PILLAR OF SOCIAL RIGHTS

The Joint Employment Report (JER)[28] 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. JER analysis is important is it forms the basis for employment and social analysis part in the Semester process and social CSRs.

Of particular interest to the SGI Europe members is **the revised Social Scoreboard**, which is included in the JER. The Social Scoreboard headline indicators point at key challenges in EU Member States across the three areas of equal opportunities and access to the labour market, fair working conditions and social protection and inclusion.

The latest Social Scoreboard shows the individual Member position in relation to the key indicators compared to other EU Member States (see Annex 1). It can help SGI Europe members to compare their country's performance to other countries, both in terms of indicators where the country is identified as being in a critical situation or a best performer.

As an example, in the housing sector, one of the sectors where SGI Europe members are active, the Social Scoreboard identifies a critical situation in Germany, and situations to watch in Bulgaria, Denmark and Estonia. This analysis could help to inform the discussions with the national governments on the precise reform priorities and policy directions.

Both ASGS and JER reflect also the priorities of the **European Pillar of Social Rights**[29]. 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[30] envisages action to further support Member States' interventions and contribute to enhancing access to and accessibility of essential goods and services. The Commission is currently analysing the need to revise the General Block Exemption Regulation and the guide on services of general economic interest and will present in 2022 a report on access to essential services.

The Pillar also reflects the **new EU 2030 targets for employment, skills and poverty reduction**. The social partners including SGI Europe signed up to these in Porto Social Summit 2021 (Porto Social Commitment):

- At least 78% of the population aged 20 to 64 should be in employment
- At least 60% of adults (25-64) should participate in training every year
- The number of people at risk of poverty or social exclusion should be reduced by at least 15 million.

[28] 2022 European Semester: Proposal for a Joint Employment Report | European Commission (europa.eu)
[29] European Pillar of Social Rights | European Commission (europa.eu)
[30] The European Pillar of Social Rights Action Plan | European Commission (europa.eu)

2.3 THE KEY REFORMS RELEVANT TO THE SGI EUROPE MEMBERS IN THE SPRING PACKAGE

Since 2022, the Spring Package[31] consists of three parts:

- a brief EC Communication,
- a set of standard format country reports, and
- a set of CSRs for each MS.

In this way, the Spring Package is a mixture of old and new European Semester features, which is illustrating the point that the Semester process is evolving and remains dynamic.

What is traditional is that CSRs are issued in the Spring Package, whereas a new feature is that country reports are now also part of the Package, previously used to be in February. This is important, because it means that in May/June SGI Europe members will have a significant load of information to analyse.

Since 2022, the Spring Package is focussed on the RRF implementation, again underlying the RRF importance to the process and how the ES and RRF will continue to be interlinked. Another key aspect is that Spring Package reflects the war on Ukraine, its geopolitical and economic implications, so fully up to date, which is reflected also in the formulation of CSRS. Also it strongly links to the new EU initiative RepowerEU (see below section 2.3.1).

2.3.1 THE GLOBAL ANALYSIS IN THE EC COMMUNICATION SPRING PACKAGE

In its global analysis in the Spring Package, the Commission provides its own analysis of the current macroeconomic and social outlook. This can be **useful for SGI Europe members in understanding the overall priority setting at the EU level**. In 2022, the EC identified a very challenging political, economic and employment outlook. It outlined further increases in commodity prices, renewed supply disruptions and heightening uncertainty are denting growth and imply significant risks. It also poses additional challenges to the EU economies related to security of energy supply and fossil fuel dependencies from Russia. The broadening inflationary pressures beyond energy prices, together with the large inflow of people fleeing the war, are having a direct impact on European societies.

However, the EC assessment is that of resilience, so the prediction is that the EU economy is showing its resilience and is projected to keep expanding in 2022-2023.

The EC also identifies a set of common challenges, keeping the conceptual framework of RRF, and reflecting the concept of competitive sustainability:

- Energy and environmental sustainability: the EC highlights the need for accelerating decarbonization to reduce the EU's dependence on fossil fuels, reducing energy consumption and increasing the share of renewables – all actions requiring mobilising higher levels of public and private investment.

- Productivity: the keyword here is the well-functioning Single Market. Here, the EC sees the need for ambitious reforms aimed at improving the business environment, administrative capacities and institutional resilience which have to accompany additional investments, as well as for example Investments in digital technologies, people and their skills.

- Under Fairness, the EC points out the COVID-19 pandemic has affected different population groups and regions unevenly and revealed underlying vulnerabilities and inequalities. The access to, adequacy and effectiveness of social benefits vary among Member States, pointing to inefficiencies in the social protection systems. Increasing the availability of affordable and social housing is warranted in a number of Member States. The pandemic has also highlighted how essential it is to have effective, resilient and sustainable healthcare systems and long term care systems. As labour markets recover, there are employment shifts due to digital, green, geopolitical and demographic transformations, leading to labour shortages. Unprecedented numbers of Ukrainian refugees pose challenges for national administrations in their efforts to support displaced persons in accessing healthcare, childcare, housing, social protection,

[31] 2022 European Semester: Spring package | European Commission (europa.eu)

engaging in education and training, and finding jobs.

- Macroeconomic stability: the EC recommends that fiscal policy should be prudent in 2023, while standing ready to react to the evolving economic situation. Heightened uncertainty and strong downside risks to the economic outlook in the context of war in Europe, unprecedented energy price hikes and continued supply chain disturbances warrant the extension of the general escape clause of the Stability and Growth Pact through 2023. Continuing to ensure public debt sustainability remains important for many Member States.

In the Spring Package, the EC reinstates that the Semester process is closely linked to the RRF implementation. The EC sees the RRF as the central tool to deliver the EU policy priorities under the European Semester and, in combination with REPowerEU, to address newly emerged challenges. In line with the RRF Regulation, national RRPs cover all or a significant subset of the relevant country-specific recommendations. The European Semester and the RRF will therefore continue to be closely interlinked to ensure complementarity in the policy priorities they are set to achieve.

The Spring Package also makes a strong link to a new EU Initiative **REPowerEU** [32]**.** EU's plan to reduce Europe's dependence from Russian fossil fuels as soon as possible and well before 2030, by accelerating the European Green Deal. It consists of several strands of action, which are relevant to SGI Europe members:

- accelerates measures aimed at more affordable, secure and sustainable energy;

- mobilises additional funding to further accelerate the decarbonisation of economy and address remaining infrastructure gaps in the EU, including important cross-border links;

- measures to alleviate the impacts on firms and households of the energy supply disruptions linked to the Russian invasion and

- contains measures to speed up permitting procedures for renewable energy, matched by actions to address the green skills shortage.

Many of these changes build on existing policy measures. One of the great novelties of REPowerEU is that it is designed to have very short-term results, with the aim of reducing the EU's demand for Russian gas by two-thirds by the end of 2022. Common procurement of gas, LNG and hydrogen through the EU Energy Platform for all member states willing to participate, as well as for Ukraine, Moldova, Georgia and the Western Balkans. However, it will be national capitals that determine the success of the plan. Most of the proposed measures require either national implementation or coordination between EU countries. The extent to which countries really engage is therefore going to be defining the actual success of REPowerEU initiative.

2.3.2 COUNTRY SPECIFIC RECOMMENDATIONS

As announced in the 2022 Annual Sustainable Growth Survey, 2022 spring Package reintroduces the **country-specific recommendations (CSRs).**[33] **The CSRs are important for SGI Europe members to be aware of, as the national governments are expected to use the RRF funding to explicitly address the concrete policy priorities identified in each country's CSRs.**

Given the encompassing nature of the RRPs, targeted new country-specific recommendations address a limited number of additional reform and investment challenges. All Member States should primarily focus on the timely implementation of the RRPs. Therefore, the Commission proposes to the Council to address to all Member States with an approved RRP: a recommendation on fiscal policy, including fiscal-structural reforms where relevant; a recommendation on the implementation of the RRP and the cohesion policy programmes; a recommendation on energy policy in line with the objectives of REPowerEU; where relevant, an additional recommendation on outstanding and/or newly emerging structural

[32] REPowerEU: affordable, secure and sustainable energy for Europe | European Commission (europa.eu)
[33] 2022 European Semester: Country Specific Recommendations / Commission Recommendations | European Commission (europa.eu)

challenges, based on the gap analysis. In this way, all MS have the same CSRs (and some Member States have additional CSRs):

- on fiscal policy, including fiscal-structural reforms where relevant
- on the implementation of the RRP and the cohesion policy programmes;
- on energy policy in line with the objectives of REPowerEU.

In addition to the common CSRs, Member States also received in 2022 specific CSRs, alerting to the need to take priority action on certain policy areas.

A look at the key policy areas covered by SGI Europe is useful to understand common thematic 2022 CSRs identified for countries represented in the SGI Europe membership.

Within **the area of labour market**, the CSRs are issued for both Austria and Poland on labour market access for women, childcare services. Austria has also received a CSR on access for more disadvantaged groups, PL a challenge on more permanent groups of employment, and also an issue of social protection:

- Austria: CSR 3. Boost labour market participation of women, including by enhancing quality childcare services, and improve labour market outcomes for disadvantaged groups
- Poland: CSR 3. Increase labour market participation, including by improving access to childcare and long-term care, and remove remaining obstacles to more permanent types of employment.

Within **the area of education and skills,** there is a number of CSRs issued in several MS. Two MS Belgium and France have a CSR on labour shortages, both are called for better VET. Inclusivity of ET systems is also highlighted in several MS – Belgium, France, Sweden. Teacher training is a CSR in Belgium and France:

- Belgium: CSR 3. Address labour shortages and skills mismatches, notably by improving the performance and inclusiveness of the education and training system, enhancing the quality and labour market relevance of the vocational education and training and developing more flexible and attractive career paths and training for teachers
- France, CSR 3. Address the shortage of skills by raising the level of basic skills, providing additional work-based learning options and improving the learning outcomes of all students, notably by adapting resources and methods to the needs of disadvantaged students and schools and by improving the working conditions and continuous training of teachers
- Poland: Foster quality education and skills relevant to the labour market, especially through adult learning and improving digital skills
- Sweden, CSR 3. Reduce the impact that pupils' socio-economic and migrant backgrounds have on their educational outcomes by providing equal access opportunities to schools and by addressing the shortages of qualified teachers. Develop skills of disadvantaged groups, including people from migrant backgrounds, by adapting resources and methods to their needs to help their integration into the labour market.

Within **the area of circular economy:** two MS have a CSR on this:

- Denmark: 4 CSRs, CSR 3. Strengthen circular economy and waste management policies including by promoting waste prevention and reuse, increasing recycling, and gradually shifting away from incineration of municipal waste to greener sources of heat generation
- Portugal: 4 CSRs, CSR 3. Enhance the conditions for a transition towards a circular economy, in particular by increasing waste prevention, recycling and reuse to divert waste away from landfills and incinerators

For other SGI Europe members, **a range of policy priorities** is highlighted in the CSRs, as follows:

- Germany, CSR 3. Remove investment obstacles and boost investment in very high-capacity digital communication networks
- Greece, CSR 3. With a view to ensuring adequate and equal access to health care, complete the

rollout of the primary health-care reform in line with the framework amended under enhanced surveillance, including staffing of all primary healthcare units, implementing population registration and introducing effective gatekeeping by general practitioners

- Malta, CSR 3. Take action to effectively address features of the tax system that may facilitate aggressive tax planning by individuals and multinationals, including by ensuring sufficient taxation of outbound payments of interests, royalties, and dividends, and amending the rules for non-domiciled companies.

- Poland: CSR 5. Enhance the investment climate, in particular by safeguarding judicial independence. Ensure effective public consultations and involvement of social partners in the policy-making process.

Furthermore, the relevance of the CSRs to the SGI Europe members can be illustrated through the **analysis of CSRs relevant to the social protection area**. Indeed, SGIs provide essential social protection services (e.g. housing, social assistance, care and long term care), SGIs affected by trends as major employers in their countries (e.g, pension payments) and SGIs can benefit from well designed social protection policies to attract and retain their workers.

In the CSRs 2022, we see a number of social protection aspects mentioned.

In the **area of pensions**, the keywords are adequacy and sustainability of pension systems, Whilst the wordings of CSRs are slightly different, for some Member States quite prescriptive. CSR for France is to unify the rules, for Poland to increase the retirement age, which are both very controversial issues. The CSR for Germany is quite broad.

- Germany CSR: "Safeguard the long-term sustainability of the pension system"

- France CSR: "Reform the pension system to progressively unify the rules of the different pension regimes to enhance its fairness while underpinning its sustainability."

- Poland CSR: "Ensure the adequacy of future pension benefits and the sustainability of the pension system by taking measures to increase the effective retirement age and by reforming the preferential pension schemes"

In the area of **poverty, social inclusion and social protection**, Finland, Poland and Portugal received a CSR to improve their social protection and social benefit systems:

- Finland CSR: "Present policy proposals for the social security reform, aiming to increase the efficiency of the system of social benefits, improving incentives to work, and also supporting long-term sustainability of public finances"

- Poland CSR: "Better target social benefits and ensure access to those in need"

- Portugal CSR: "Improve the effectiveness of the tax and social protection systems, in particular by simplifying both frameworks, strengthening the efficiency of their respective administrations, and reducing the associated administrative burden".

In the area of **long-term care**, quite broad policy formulations are identified in the CSRs for Austria, Belgium and Poland:

- Austria, CSR: "Ensure the adequacy and fiscal sustainability of the long-term care system"

- Belgium CSR: "Prioritise reforms to improve the fiscal sustainability of long-term care, including by promoting a cost-efficient use of the different care settings"

- Poland CSR: "improve access to long term care"

2.3.3 THE COUNTRY REPORTS

The Spring Package also contains **country reports for each of EU 27 Member States.**[34] The country reports are important for SGI Europe members to be aware of, as they contain the EC analysis of their country's situation and can be used in the discussions with the national government. Also, as shown in section 1.2, the Commission usually travel to the national capitals to discuss the country reports, also with the stakeholders outside the government. Hence, the discussion of the country reports can provide an opportunity for SGI Europe to engage with the European Commission officials.

The country reports provide a snapshot of the existing and newly emerging challenges along the four dimensions of competitive sustainability, as well as the individual Member States' resilience to tackle these challenges, as also reflected in the resilience dashboards developed by the Commission. The country reports take stock of the implementation of past country-specific recommendations and of the measures included in the RRPs that will largely drive Member States' reform and investment agendas until 2026. The reports identify key outstanding or newly emerging challenges, not sufficiently covered by commitments undertaken in the RRPs, which are the basis for this year's CSRs. This 'gap analysis' and the related recommendations notably take into account the need to reduce our energy dependencies following Russia's invasion of Ukraine, in line with the REPowerEU priorities, and to address the related socio-economic implications.

The country reports have a standard structure, with a concise main body providing an overview of:

- Economic and employment snapshot, describing where the Commission sees the main economic and employment challenges for the country;
- Analysis of RPP implementation, outlining the Commission's view on how well the government is implementing the RRF resources;
- Outline of policy priorities for the country, with a list of concrete suggested actions for each country.

The country report is **accompanied by a set of standard Annexes**, which provide an analysis of progress against the four dimensions in the RRF.

Of interest to SGI Europe members could be the comparisons of their country's position in relation to the EU-27 average. Also of key interest is the Annex related to the Dimension "Fairness". It sets out, for each country, the position in some of the key sectors and policy interests covered by SGI Europe members:

- Annex 12: Employment, skills and social policy challenges in light of the European Pillar of Social Rights, also using the data from the Social Scoreboard (see Annex 1),
- Annex 13: the main challenges for the national education and training system in light of the EU-level targets of the European Education Area Strategic Framework and other contextual indicators
- Annex 14: The main issues in health and health systems.

[34] 2022 European Semester: Country Reports | European Commission (europa.eu)

FURTHER INFORMATION ABOUT THE EUROPEAN SEMESTER

General information:

https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-economic-governance-monitoring-prevention-correction/european-semester_en
Recovery and Resilience Facility | European Commission (europa.eu)

European Pillar of Social Rights | European Commission (europa.eu)
The European Pillar of Social Rights Action Plan | European Commission (europa.eu)

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ANNEXES

ANNEX 1: SOCIAL SCOREBOARD

Table 1. Social Scoreboard headline indicators: overview of challenges across Member States

		Year	Best performers	Better than average	Good but to monitor	On average / neutral	Weak but improving	To watch	Critical situations
Equal opportunities	Early leavers from education and training (% of population aged 18-24)	2020	EL, HR, IE, SI	EE, LV, PL, PT	LT	AT, BE, DE, DK, FR, NL, SK	ES, MT	CY, CZ, FI, LU, SE	BG, HU, IT, RO
	Individuals' level of digital skills	2019	DE, DK, FI, NL, SE	AT, CZ, EE, EL, HR, IE	LU	BE, ES, FR, LT, MT, PT, SI, SK		CY, HU, PL	BG, LV, RO
	Youth NEET rate (% of total population aged 15-29)	2020	DE, LU, NL, SE	AT, BE, DK, FI, HR, MT, SI		CZ, EE, FR, LV, PL	RO	CY, HU, IE, LT, PT, SK	BG, EL, ES, IT
	Gender employment gap	2020	FI, LT, LV, SE	DE, DK, EE, FR, LU, PT, SI		AT, BE, BG, CY, ES, IE, NL, SK	MT	CZ, HR	EL, HU, IT, PL, RO
	Income quintile ratio (S80/S20)	2020	CZ, SI, SK	AT, BE, DK, FI, NL, PL, SE		CY, EE, EL, FR, HR, HU, LU, PT	RO	ES, MT	BG, DE, LT, LV
Fair working conditions	Employment rate (% population aged 20-64)	2020	CZ, DE, NL, SE	DK, FI, LV, MT, PL	EE, LT	AT, CY, FR, HU, LU, SI, SK	HR	BE, BG, IE, PT, RO	EL, ES, IT
	Unemployment rate (% active population aged 15-74)	2020	CZ, PL	BG, DE, FR, HU, MT, NL, RO, SI		AT, BE, CY, DK, FI, HR, IE, LU, PT, SE, SK	EL, IT	EE, LT, LV	ES
	Long-term unemployment rate (% active population aged 15-74)	2020		CZ, DE, DK, HU, MT, NL, PL, PT, SE		AT, BE, BG, CY, FI, FR, HR, IE, LV, RO, SI	EL, IT	EE, LT, LU, SK	ES
	GDHI per capita growth (2008=100)	2020	HU, LT, PL	CZ, IE, LV, MT, SI, SK		DE, DK, FI, HR, LU, NL, PT, SE		AT, BE	CY, EL, ES, IT
Social protection and inclusion	At risk of poverty or social exclusion rate	2020	CZ, SI, SK	AT, CY, DK, FI, NL, PL, SE		BE, EE, FR, HR, HU, LU, MT, PT	LV	DE, LT	BG, EL, ES, RO
	At risk of poverty or social exclusion rate for children (0-17)	2020	CZ, DK, FI, SI	EE, LT, NL, PL, SE, SK		AT, BE, CY, FR, HR, HU, LU, LV, MT, PT		DE	BG, EL, ES, RO
	Impact of social transfers (other than pensions) on poverty reduction	2020	BE, DK, FI, FR	CZ, HU, LU, SE, SI, SK	AT	CY, EE, NL, PL		DE, EL, LT, PT	BG, ES, HR, LV, MT, RO
	Disability employment gap	2020	AT, DK, EE, FI, PT	ES, LT, LU, SI	FR	CY, CZ, EL, NL, SK		MT, RO, SE	BE, BG, DE, HR, HU, PL
	Housing cost overburden	2020	SK	CY, FI, HR, LT, MT, PT, SI		AT, BE, CZ, ES, HU, LU, LV, NL, PL, RO, SE	EL	BG, DK, EE	DE
	Children aged less than 3 years in formal childcare	2020	BE, DK, FR, LU, NL, PT, SE	SI	ES	EE, FI, LV, MT	HR	AT, BG, CY, DE, EL, LT	CZ, HU, PL, RO, SK
	Self-reported unmet need for medical care	2020		AT, CY, CZ, DE, ES, HU, LU, MT, NL		BE, BG, DK, FR, HR, LT, PT, SE, SI, SK	EE, EL	FI, LV, RO	PL

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